

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Filing at a Glance

Company: HMO Colorado, Inc.
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
State: Colorado
TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)
Sub-TOI: HOrg02I.005D Individual - HMO
Filing Type: Rate
Date Submitted: 05/14/2013
SERFF Tr Num: AWLP-129016424
SERFF Status: Closed-Filed
State Tr Num: 278047
State Status: Filed
Co Tr Num:

Implementation: 01/01/2014
Date Requested:
Author(s): Elaine Wagner, Stephanie Dulz, Steven Spelshaus, Andrea Shen, Zachary Winslow, Ryan Othman
Reviewer(s): Cathy Gilliland (primary), Nichole Boggess, Michael Muldoon, Amy Filler, Kyle Edrington, Rachel Plummer
Disposition Date: 08/15/2013
Disposition Status: Filed
Implementation Date: 01/01/2014

State Filing Description:
SERFF Binder Filings: ATHK-CO14-125001044, ATHK-CO14-125001065-state codes 645-850

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

General Information

Project Name: Status of Filing in Domicile:
Project Number: Date Approved in Domicile:
Requested Filing Mode: File & Use Domicile Status Comments:
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Individual Market Type: Individual
Overall Rate Impact: Filing Status Changed: 08/15/2013
State Status Changed: 07/22/2013
Deemer Date: Created By: Zachary Winslow
Submitted By: Zachary Winslow Corresponding Filing Tracking Number:
PPACA: Non-Grandfathered Immed Mkt Reforms
PPACA Notes: null
Exchange Intentions: Some products included in this filing will be available on the Colorado Health Benefit Exchange.

Filing Description:

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA). The rates will be in-force for effective dates on or after January 1, 2014. These rates will apply to plans offered both On-Exchange and Off-Exchange. This rate filing is not intended to be used for other purposes.

State Narrative:

Rate Change Summary

Effective Date of Rate Change: 1/1/2014

Average Rate Change Requested This Filing: N/A: New Filing

Minimum Rate Change This Filing: N/A

Maximum Rate Change This Filing: N/A

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA). The rates will be in-force for effective dates on or after January 1, 2014. These rates will apply to plans offered both On-Exchange and Off-Exchange.

Company and Contact

Filing Contact Information

Steve Spelshaus, Actuarial Dir steven.spelshaus@anthem.com
700 Broadway 303-831-2073 [Phone]
Denver, CO 80273

Filing Company Information

HMO Colorado, Inc.	CoCode: 95473	State of Domicile: Colorado
700 Broadway	Group Code: 671	Company Type: Life,
Denver, CO 80373	Group Name: WellPoint Inc Group	Accident, Health
(805) 713-5243 ext. [Phone]	FEIN Number: 84-1017384	State ID Number:

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State Specific

Please enter state-specific code(s) found in Colorado's Filing Requirements Bulletins, or on the General Instructions page.

Please list all applicable state-specific codes. If no codes are applicable, please enter N/A.: 645

All rate and loss cost filing types MUST be submitted with completed Rate Data Fields in accordance with Sections 10-4-401 and 10-16-107 C.R.S. This requirement does not apply to form filing types. Rate and loss cost filings not including this data will be rejected. If this is a rate or loss cost filing, have these fields been completed?: yes

Have you completed the Forms Schedule Tab? ALL Life, Accident, and Health Rate and Form filing types require the Form Schedule Tab to be completed. In addition, all Form, Annual Form Certification, and Refund Calculation filing types require the Form Schedule Tab to be completed. The actual form must be attached to Form filing types only when filing: Medicare Supplement, Long-Term Care Partnership, Stop Loss, P&C Summary Disclosure Forms, and Workers Compensation. It is not necessary to submit the actual form for other lines of insurance. Thank you.: yes

State:	Colorado	Filing Company:	HMO Colorado, Inc.
TOI/Sub-TOI:	HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO		
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014		
Project Name/Number:	/		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Nichole Boggess	08/15/2013	08/15/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Michael Muldoon	07/01/2013	07/01/2013
Pending Industry Response	Rachel Plummer	06/10/2013	06/10/2013
Pending Industry Response	Cathy Gilliland	05/29/2013	05/29/2013
Pending Industry Response	Cathy Gilliland	05/22/2013	05/22/2013
Pending Industry Response	Cathy Gilliland	05/15/2013	05/15/2013

Response Letters

Responded By	Created On	Date Submitted
Steven Spelshaus	07/04/2013	07/04/2013
Zachary Winslow	06/19/2013	06/19/2013
Zachary Winslow	05/31/2013	05/31/2013
Zachary Winslow	05/24/2013	05/31/2013
Zachary Winslow	05/16/2013	05/16/2013

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Disposition Letter	Note To Filer	Nichole Boggess	08/15/2013	08/15/2013
Disposition letter	Note To Filer	Nichole Boggess	08/09/2013	08/09/2013
Rate Filing Status	Reviewer Note	Amy Filler	08/15/2013	

SERFF Tracking #:	AWLP-129016424	State Tracking #:	278047	Company Tracking #:	
<hr/>					
State:	Colorado	Filing Company:	HMO Colorado, Inc.		
TOI/Sub-TOI:	HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO				
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014				
Project Name/Number:	/				

Disposition

Disposition Date: 08/15/2013

Implementation Date: 01/01/2014

Status: Filed

HHS Status: HHS Approved

State Review: Reviewed by Actuary

Comment: State Tracking # 278047

Company: HMO Colorado, Inc.

Product Line: Individual Major Medical - HMO

Rate Change Summary

Effective Date of Rate Change: 1/1/2014

Average Rate Change Requested This Filing: N/A: New Filing

Minimum Rate Change This Filing: N/A

Maximum Rate Change This Filing: N/A

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA). The rates will be in-force for effective dates on or after January 1, 2014. These rates will apply to plans offered both On-Exchange and Off-Exchange.

Approved Rate Changes

The division has filed the rate change included in this submission effective July 19, 2013.

See attached letter for additional details regarding this rate filing.

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
HMO Colorado, Inc.	New Product	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

State:	Colorado	Filing Company:	HMO Colorado, Inc.
TOI/Sub-TOI:	HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO		
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014		
Project Name/Number:	/		

Percent Change Approved:

Minimum:	0.000%
Maximum:	0.000%
Weighted Average:	0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	HR-1 Form (H)		Yes
Supporting Document	Consumer Disclosure Form		Yes
Supporting Document (revised)	Actuarial Memorandum and Certifications		Yes
Supporting Document	Actuarial Memorandum and Certifications		Yes
Supporting Document	Unified Rate Review Template		Yes
Supporting Document	Colorado Actuarial Memorandum - CONFIDENTIAL HANDLING REQUESTED		No
Supporting Document (revised)	Colorado Actuarial Memorandum		Yes
Supporting Document	Colorado Actuarial Memorandum		Yes
Supporting Document	Rate Sample		Yes
Form	Anthem Catastrophic Direct Access		Yes
Form	Anthem Bronze Direct Access with HSA - cacc		Yes
Form	Anthem Bronze Direct Access - caca		Yes
Form	Anthem Bronze Direct Access with Dental - cdca		Yes
Form	Anthem Bronze Direct Access - cabz		Yes
Form	Anthem Bronze Direct Access - caaf		Yes
Form	Anthem Bronze Direct Access with HSA - caar		Yes
Form	Anthem Silver Direct Access - cbma		Yes
Form	Anthem Silver Direct Access - cbku		Yes

SERFF Tracking #:

AWLP-129016424

State Tracking #:

278047

Company Tracking #:

State:

Colorado

Filing Company:

HMO Colorado, Inc.

TOI/Sub-TOI:

HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name:

HMO Colorado Individual Rate Filing Effective 1/1/2014

Project Name/Number:

/

Schedule	Schedule Item	Schedule Item Status	Public Access
Form	Anthem Silver Direct Access - cbka		Yes
Form	Anthem Silver Direct Access - cbhw		Yes
Form	Anthem Silver Direct Access - cbds		Yes
Form	Anthem Gold Direct Access - ccab		Yes
Form	Anthem Gold Direct Access with Dental - cdcp		Yes
Form	Anthem Catastrophic Direct Access		Yes
Form	Anthem Core Direct Access with HSA - cacc		Yes
Form	Anthem Core Direct Access - caca		Yes
Form	Anthem Core Direct Access with Dental - cdca		Yes
Form	Anthem Core Direct Access - cabz		Yes
Form	Anthem Core Direct Access - caaf		Yes
Form	Anthem Core Direct Access with HSA - caar		Yes
Form	Anthem Essential Direct Access - cbma		Yes
Form	Anthem Essential Direct Access - cbku		Yes
Form	Anthem Essential Direct Access - cbka		Yes
Form	Anthem Essential Direct Access - cbhw		Yes
Form	Anthem Essential Direct Access - cbds		Yes
Form	Anthem Essential Direct Access - cbgq		Yes
Form	Anthem Preferred Direct Access - ccab		Yes
Form	Anthem Preferred with Dental - cdcp		Yes
Rate	CO IND Rate Manual		Yes

Final Disposition Letter

State Tracking # 278047

Company: HMO Colorado, Inc.

Product Line: Individual Major Medical - HMO

Rate Change Summary

Effective Date of Rate Change: 1/1/2014

Average Rate Change Requested This Filing: N/A: New Filing

Minimum Rate Change This Filing: N/A

Maximum Rate Change This Filing: N/A

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA). The rates will be in-force for effective dates on or after January 1, 2014. These rates will apply to plans offered both On-Exchange and Off-Exchange.

Rate Methodology

The historical experience used to develop the rates was from Anthem's Colorado Small Group paid claims for all business incurred from Nov 2011 - Oct 2012 with paid claim runout through Dec 2012. Applied to this experience were adjustments to reflect differences in demographics (-8.7%), benefits (-8.1%), and population morbidity (+15.0%). The experience was then trended to the rating period using an assumption of +10.1% per member per month cost trend per year. Lastly, the trended experience was adjusted to reflect changes in pharmacy rebates (-0.7%), pediatric dental (+0.04%), and pediatric vision (+0.03%).

The filing includes appropriate rating factors for age, smoking, area, network, and benefits that comply with ACA guidelines as applicable. It is assumed in the filing that a risk adjustment transfer payment will not occur for this block of business.

As detailed in the summary table at the end of this letter, the total premium retention included in the filing is 21.84%. The Colorado Conventional Loss Ratio is 78.16%. The Federal MLR Loss Ratio is 84.52%.

Exhibit of Anticipated Premium Retention

	<u>Issuer Primary Expense and Profit Retention</u>	<u>% of Premium Retained</u>
	Administrative Expenses (not including expenses in Additional Allowed Section Below):	7.47%
	Commissions:	3.10%
	Profit and Contingencies After Taxes:	2.90%
	Contingencies:	0.00%
	FIT - Federal Income Taxes (includes taxes on profit & contingencies):	1.60%
	Investment Income:	1.00%
(A)	Total:	16.07%
	<u>Retention for Additional Required Taxes, Fees and Assessments</u>	
	PPACA Health Insurer Fee:	2.58%
	PPACA Reinsurance Fee:	1.36%
	PPACA CERF Fee:	0.00%
	PPACA Risk Adjustment User Fee:	0.02%
	PPACA PCORI Fee:	0.04%
	Exchange user fees:	0.84%
	Premium Taxes:	0.00%
	State Income Taxes:	0.00%
	Other Fees, Assessments, Taxes:	0.10%
(B)	Total:	4.94%
	<u>Additional Allowed for QI & Member Welfare Section</u>	
	Quality Improvement:	0.83%
	Community Charitable:	0.00%
	IT for ICD-10 Conversion (max allowed 0.3%):	0.00%
(C)	Total:	0.83%
(D)	Total Premium Retention For All Purposes (A + B + C):	21.84%
(E)	Colorado Conventional Loss Ratio (100% - D):	78.16%
	Federal MLR Loss Ratio Basis: (E + C) / (100% - B - FIT):	84.52%

Final Disposition Letter

Sample of Final Rates 27 year old

Company	Network Name	Level of Coverage*	Plan Type*	Rating Area 1		Rating Area 2		Rating Area 3		Rating Area 4		Rating Area 5		Rating Area 7	
				Boulder		Colorado Springs		Denver		Fort Collins		Grand Junction		Pueblo	
				Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
HMO Colorado	Pathway Enhanced	Gold	HMO	\$351.89	\$357.42	\$336.96	\$342.27	\$359.44	\$365.09	\$379.07	\$385.04	\$403.71	\$410.06	\$398.93	\$405.20
		Silver	HMO	\$256.66	\$284.74	\$245.78	\$272.66	\$262.17	\$290.85	\$276.48	\$306.73	\$294.46	\$326.67	\$290.97	\$322.80
		Bronze	HMO	\$208.52	\$240.09	\$199.68	\$229.90	\$213.00	\$245.23	\$224.63	\$258.63	\$239.23	\$275.45	\$236.40	\$272.18
		Catastrophic	HMO	\$177.70	\$177.70	\$170.16	\$170.16	\$181.51	\$181.51	\$191.43	\$191.43	\$203.87	\$203.87	\$201.46	\$201.46
	Pathway x Enhanced	Gold	HMO	\$351.89	\$357.42	\$336.96	\$342.27	\$359.44	\$365.09	\$379.07	\$385.04	\$403.71	\$410.06	\$398.93	\$405.20
		Silver	HMO	\$256.66	\$284.74	\$245.78	\$272.66	\$262.17	\$290.85	\$276.48	\$306.73	\$294.46	\$326.67	\$290.97	\$322.80
		Bronze	HMO	\$208.52	\$240.09	\$199.68	\$229.90	\$213.00	\$245.23	\$224.63	\$258.63	\$239.23	\$275.45	\$236.40	\$272.18
		Catastrophic	HMO	\$177.70	\$177.70	\$170.16	\$170.16	\$181.51	\$181.51	\$191.43	\$191.43	\$203.87	\$203.87	\$201.46	\$201.46

Division Objections

None

Approved Rate Changes

The Division has filed the rates in their final form after all adjustments.

State: Colorado **Filing Company:** HMO Colorado, Inc.
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Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/01/2013
Submitted Date	07/01/2013
Respond By Date	07/04/2013

Dear Steve Spelshaus,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

- Colorado Actuarial Memorandum (Supporting Document)

Comments: Please explain how HMO Colorado is projecting to have 1,509,264 member months in 2014 when currently the company only has 445 member months and 31 lives in the individual market. Provide a breakdown and justify the underlying basis from which the company is assuming to get the business from.

- 1. New Sales*
- 2. Roll over from an existing plans, if so which ones*
- 3. Roll over from other carriers*
- 4. Other (Explain)*
- 5. Is HMO Colorado anticipating assuming the Rocky Mountain Hospital and Medical Serv PPO line of business?*

Conclusion:

If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 07/04/2013, which is within 3 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested.

Failure to provide a full or complete response, will result in the rate filing being DISAPPROVED on the basis that the rate filing is incomplete, pursuant to §10-16-107(1.6)(a)(V), C.R.S. Proposed rates may not be used in any manner until an adequate response to this objection has been received and the above referenced rate filing has been approved by the Division.

Sincerely,

Michael Muldoon

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/10/2013
Submitted Date	06/10/2013
Respond By Date	06/24/2013

Dear Steve Spelshaus,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments: Part III Actuarial Memorandum is missing a signature by a actuary in the Actuarial Certification section. Please provide or Act Memo is not valid.

Objection 2

Comments: Please include the "Reliance" section of the Part III Actuarial Memorandum. If, in preparing the Part I Unified Rate Review Template submission, the certifying actuary relied on any information or underlying assumptions provided by another individual, the information relied upon and the name of the individual providing that information may be disclosed. This should be located after the "Effective Rate Review Information" section.

Conclusion:

If any of the requested rate information results in changes to the filing forms (HR-1 or A, B, C or D), please also submit revised forms.

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/24/2013, which is within 14 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/24/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,

Rachel Plummer

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/29/2013
Submitted Date	05/29/2013
Respond By Date	06/05/2013

Dear Steve Spelshaus,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments: If there are any excel docs attached, please also provide them in a PDF doc as we are having issues with excel attachments

Conclusion:

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/05/2013, which is within 7 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/05/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,
Cathy Gilliland

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/22/2013
Submitted Date	05/22/2013
Respond By Date	06/05/2013

Dear Steve Spelshaus,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments: Please correct the general information tab for requested filing mode as file and use.

Objection 2

Comments: Please provide the rate impact (0%) on the rate rule schedule: Overall % Indicated Change: Overall % Rate Impact: Written Premium Change for this Program: # of Policy Holders Affected for this Program: Written Premium for this Program: Maximum % Change (where required): Minimum % Change (where required)

Objection 3

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please sign the Actuarial Certification

Objection 4

- Colorado Actuarial Memorandum (Supporting Document)

Comments: Regulation 4-2-11 section 6 (E) Act Memo (D) Please indicate which of the following PPACA benefits your plan has implemented:

Eliminate Annual Dollar Limits on Essential Benefits, Section 2711 of the PHSA/Section 1001 of the PPACA

Eliminate Lifetime Dollar Limits on Essential Benefits, Section 2711 of the PHSA/Section 1001 of the PPACA

Eliminate Pre-existing Condition Exclusions for Enrollees Under Age 19, Section 2711 of the PHSA/Section 1201 of the PPACA

Prohibit Rescissions, Section 2712 of the PHSA/Section 1001 of the PPACA

Preventive Services, Section 2713 of the PHSA/Section 1001 of the PPACA

Extends Dependent Coverage for Children Until age 26, Section 2714 of the PHSA/Section 1001 of the PPACA

Appeals Process, Section 2719 of the PHSA/Section 1001 of the PPACA

Emergency Services, Section 2719A of the PHSA/Section 10101 of the PPACA

Access to Pediatricians, Section 2719A of the PHSA/Section 10101 of the PPACA

Access to OB/GYNs, Section 2719A of the PHSA/Section 10101 of the PPACA

Objection 5

- Colorado Actuarial Memorandum (Supporting Document)

Comments: regulation 4-2-11 (C) If the length of the rating period is not clearly identified, it will be assumed to be for twelve months, starting from the proposed implementation date.

Objection 6

- Colorado Actuarial Memorandum (Supporting Document)

Comments: Exhibit O & P should be annual and should match the view rate review detail for the projected premium and claims

Conclusion:

State:	Colorado	Filing Company:	HMO Colorado, Inc.
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Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014		
Project Name/Number:	/		

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 06/05/2013, which is within 14 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 06/05/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,
Cathy Gilliland

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/15/2013
Submitted Date	05/15/2013
Respond By Date	05/22/2013

Dear Steve Spelshaus,

Introduction:

This filing has been received, but before further action can be taken, please address the following:

Objection 1

Comments: Please provide a binder or the binder filing # for this rate filing.

Conclusion:

Colorado Insurance Regulation 1-1-8 requires that every person shall provide a complete response in writing to any inquiry from the Division of Insurance. This reply must be submitted by 05/22/2013, which is within 7 calendar days from the date of this correspondence. If additional time is required to provide a complete response, including any documentation which is requested, a request for an extension of time must be submitted by 05/22/2013.

The request for an extension of time must state the reason for such request and the number of additional days required to provide a complete response. Requests for additional time will be granted for good cause shown and for a reasonable period at the discretion of the Division. Requests for an extension of time must be submitted through SERFF.

Failure to provide a full or complete response, or to request an extension for a specified period, may result in the imposition of a \$500 fine under Colorado Insurance Regulation 1-1-8 and applicable surcharge pursuant to §24-34-108(2), C.R.S. This surcharge will be used to fund the development, implementation and maintenance of a consumer outreach and education program. Pursuant to Section 6 of Colorado Insurance Regulation 1-1-8, and after notice and hearing, additional sanctions may be sought under C.R.S. 10-1-215 and other fining and penalty provisions of Title 10.

Sincerely,
Cathy Gilliland

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
Response Letter Date 07/04/2013
Submitted Date 07/04/2013

Dear Cathy Gilliland,

Introduction:

Response 1

Comments:

Beginning 2014 HMO Colorado will be the primary line of business offering products in the individual market for Anthem. Currently, Rocky Mountain Hospital and Medical Services (RMHMS - PPO LOB) insures 95,000 individual members. The assumption of 1.5 million member months (or 126K members) is developed assuming the majority of the current membership will migrate from their current individual plans into the new HMO Colorado ACA-Compliant plans.

Additional membership will be gained as the individual market in Colorado will be expanded due to the individual mandate requiring all individuals purchase health insurance. Anthem currently insures roughly 31% of Coloradans in the individual market; with an expected 85K members entering the individual market in 2014, Anthem expects to gain at least its current market share of those individuals.

The remaining membership is expected to come from other carriers as Anthem entered into contractual agreements with various providers in which Anthem is assumed to have the most favorable cost savings for provider and hospital services compared to other carriers in the market place.

Related Objection 1

Applies To:

- Colorado Actuarial Memorandum (Supporting Document)

Comments: Please explain how HMO Colorado is projecting to have 1,509,264 member months in 2014 when currently the company only has 445 member months and 31 lives in the individual market. Provide a breakdown and justify the underlying basis from which the company is assuming to get the business from.

1. New Sales
2. Roll over from an existing plans, if so which ones
3. Roll over from other carriers
4. Other (Explain)
5. Is HMO Colorado anticipating assuming the Rocky Mountain Hospital and Medical Serv PPO line of business?

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Steven Spelshaus

State:	Colorado	Filing Company:	HMO Colorado, Inc.
TOI/Sub-TOI:	HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO		
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/19/2013
Submitted Date	06/19/2013

Dear Cathy Gilliland,

Introduction:

Response 1

Comments:

An unsigned Part III Actuarial Memorandum was uploaded in error. Please allow for an update to the supporting document schedule to include the signed memorandum.

Related Objection 1

Comments: Part III Actuarial Memorandum is missing a signature by a actuary in the Actuarial Certification section. Please provide or Act Memo is not valid.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	CO IND Fed Act Memo v2.pdf
Previous Version	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	CO IND Fed Act Memo.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

State:	Colorado	Filing Company:	HMO Colorado, Inc.
TOI/Sub-TOI:	HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO		
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014		
Project Name/Number:	/		

Please allow for an update to the supporting document schedule to include the Reliance section (found prior to the Actuarial Certification) in the Part III Actuarial Memorandum.

Related Objection 2

Comments: Please include the "Reliance" section of the Part III Actuarial Memorandum. If, in preparing the Part I Unified Rate Review Template submission, the certifying actuary relied on any information or underlying assumptions provided by another individual, the information relied upon and the name of the individual providing that information may be disclosed. This should be located after the "Effective Rate Review Information" section.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	CO IND Fed Act Memo v2.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Actuarial Memorandum and Certifications</i>
Comments:	
Attachment(s):	<i>CO IND Fed Act Memo.pdf</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Zachary Winslow

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/31/2013
Submitted Date	05/31/2013

Dear Cathy Gilliland,

Introduction:

Response 1

Comments:

Per conversation with Cathy Gilliland, additional uploads are not necessary as all memorandum exhibits are currently available in PDF form.

Related Objection 1

Comments: If there are any excel docs attached, please also provide them in a PDF doc as we are having issues with excel attachments

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Zachary Winslow

State:	Colorado	Filing Company:	HMO Colorado, Inc.
TOI/Sub-TOI:	HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO		
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/24/2013
Submitted Date	05/31/2013

Dear Cathy Gilliland,

Introduction:

Response 1

Comments:

Please allow for a post-submission update to change the requested filing mode to "File and Use".

Related Objection 1

Comments: Please correct the general information tab for requested filing mode as file and use.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

Please allow for a post-submission update to the Rate/Rule Schedule. As this filing is for new products, premium changes are not applicable and the number of affected policyholders cannot be determined, so these fields will be populated with 0.

Related Objection 2

Comments: Please provide the rate impact (0%) on the rate rule schedule: Overall % Indicated Change: Overall % Rate Impact: Written Premium Change for this Program: # of Policy Holders Affected for this Program: Written Premium for this Program: Maximum % Change (where required): Minimum % Change (where required)

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

State:	Colorado	Filing Company:	HMO Colorado, Inc.
TOI/Sub-TOI:	HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO		
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014		
Project Name/Number:	/		

Response 3**Comments:**

Please see page 15 of the supporting document "CO IND State Act Memo", which contains the signed Actuarial Certification.

Related Objection 3

Applies To:

- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please sign the Actuarial Certification

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4**Comments:**

Each of the PPACA benefits listed in the Objection are covered by the filed products. This is consistent with the Effect of Law Changes section in the memorandum, which states: "To the best of Anthem's knowledge and current understanding, this filing complies with the most recent regulations and related guidance. Anthem's intention is to fully comply with all applicable laws and guidance."

Related Objection 4

Applies To:

- Colorado Actuarial Memorandum (Supporting Document)

Comments: Regulation 4-2-11 section 6 (E) Act Memo (D) Please indicate which of the following PPACA benefits your plan has implemented:

Eliminate Annual Dollar Limits on Essential Benefits, Section 2711 of the PHSA/Section 1001 of the PPACA

Eliminate Lifetime Dollar Limits on Essential Benefits, Section 2711 of the PHSA/Section 1001 of the PPACA

Eliminate Pre-existing Condition Exclusions for Enrollees Under Age 19, Section 2711 of the PHSA/Section 1201 of the PPACA

Prohibit Rescissions, Section 2712 of the PHSA/Section 1001 of PPACA

Preventive Services, Section 2713 of the PHSA/Section 1001 of the PPACA

Extends Dependent Coverage for Children Until age 26, Section 2714 of the PHSA/Section 1001 of the PPACA

Appeals Process, Section 2719 of the PHSA/Section 1001 of the PPACA

Emergency Services, Section 2719A of the PHSA/Section 10101 of the PPACA

Access to Pediatricians, Section 2719A of the PHSA/Section 10101 of the PPACA

Access to OB/GYNs, Section 2719A of the PHSA/Section 10101 of the PPACA

State:	Colorado	Filing Company:	HMO Colorado, Inc.
TOI/Sub-TOI:	HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO		
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014		
Project Name/Number:	/		

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 5**Comments:**

This assumption is correct. The rating period is 12 months, as illustrated in the supporting document "CO IND Excel Exhibits".

Related Objection 5

Applies To:

- Colorado Actuarial Memorandum (Supporting Document)

Comments: regulation 4-2-11 (C) If the length of the rating period is not clearly identified, it will be assumed to be for twelve months, starting from the proposed implementation date.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 6**Comments:**

Please allow for a post-submission update to include annualized premium and claim projections in Exhibit A - Base Rate Development (attached separately to the supporting documents tab) and to annualize the premium and claim amounts in the rate review detail. Exhibits O and P will not produce claims amounts matching the rate review detail, as claims are expressed in allowed dollars, consistent with Federal requirements for the index rate development and unified rate review template.

Related Objection 6

Applies To:

- Colorado Actuarial Memorandum (Supporting Document)

Comments: Exhibit O & P should be annual and should match the view rate review detail for the projected premium and claims

Changed Items:

State:	Colorado	Filing Company:	HMO Colorado, Inc.
TOI/Sub-TOI:	HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO		
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014		
Project Name/Number:	/		

Supporting Document Schedule Item Changes	
Satisfied - Item:	Colorado Actuarial Memorandum
Comments:	
Attachment(s):	CO IND Excel Exhibits.xlsx CO IND State Act Memo.pdf CO IND Annualized Premium & Claim Projection.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Colorado Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>CO IND Excel Exhibits.xlsx CO IND State Act Memo.pdf</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Zachary Winslow

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/16/2013
Submitted Date	05/16/2013

Dear Cathy Gilliland,

Introduction:

Response 1

Comments:

Please see the information below for Binder names and filing numbers associated with this rate filing:

Individual Off Exchange

Binder name- CO 76680 Individual off exchange

Filing number- ATHK-CO14-125001044

Individual On Exchange

Binder name- CO 76680 Individual on exchange

Filing number- ATHK-CO14-125001065

Related Objection 1

Comments: Please provide a binder or the binder filing # for this rate filing.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Zachary Winslow

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Note To Filer

Created By:

Nichole Boggess on 08/15/2013 03:21 PM

Last Edited By:

Nichole Boggess

Submitted On:

08/15/2013 03:21 PM

Subject:

Disposition Letter

Comments:

Corrected disposition letter sent.

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Note To Filer

Created By:

Nichole Boggess on 08/09/2013 12:14 PM

Last Edited By:

Nichole Boggess

Submitted On:

08/09/2013 12:14 PM

Subject:

Disposition letter

Comments:

Revised disposition letter sent.

State:	Colorado	Filing Company:	HMO Colorado, Inc.
TOI/Sub-TOI:	HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO		
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014		
Project Name/Number:	/		

Reviewer Note

Created By:

Amy Filler on 08/15/2013 12:22 PM

Subject:

Rate Filing Status

Comments:

The binder associated with this rate filings (ATHK-CO14-125001065) received a new Plans and Benefits Template on 8/8/13, which the Division objected to. The carrier was trying to remove a benefit to cover eyewear, which they said was erroneously added as a benefit. They were instructed to add back in the benefit and re-upload their previous Plans and Benefits Template.

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Post Submission Update Request Processed On 06/04/2013

Status: Allowed
 Created By: Zachary Winslow
 Processed By: Cathy Gilliland
 Comments:

General Information:

Field Name	Requested Change	Prior Value
Requested Filing Mode	File & Use	Review & Approval

Company Rate Information:

Company Name:HMO Colorado, Inc.

Field Name	Requested Change	Prior Value
Overall % Indicated Change	0.000%	
Overall % Rate Impact	0.000%	
Written Premium Change for this Program	\$0	
# of Policy Holders Affected for this Program	0	
Written Premium for this Program	\$0	
Maximum %Change (where required)	0.000%	
Minimum %Change (where required)	0.000%	

REQUESTED RATE CHANGE INFORMATION:

Member Months:	1509264	125772
----------------	---------	--------

REQUESTED RATE:

Projected Earned Premium:	584,260,405.000	48,687,599.000
Projected Incurred Claims:	470,310,973.000	39,191,813.000
HMO - Covered Lives	0	
HMO - Policy Holders	0	

SERFF Tracking #:

AWLP-129016424

State Tracking #:

278047

Company Tracking #:

State:

Colorado

Filing Company:

HMO Colorado, Inc.

TOI/Sub-TOI:

HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO

Product Name:

HMO Colorado Individual Rate Filing Effective 1/1/2014

Project Name/Number:

/

Form Schedule

Lead Form Number:

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		Anthem Catastrophic Direct Access	EOC_ENG_HMOCOLORADO_76680C00220014_20140101	CER	Initial			
2		Anthem Bronze Direct Access with HSA - cacc	EOC_ENG_HMOCOLORADO_76680C00220001_20140101	CER	Initial			
3		Anthem Bronze Direct Access - caca	EOC_ENG_HMOCOLORADO_76680C00220002_20140101	CER	Initial			
4		Anthem Bronze Direct Access with Dental - cdca	EOC_ENG_HMOCOLORADO_76680C00220006_20140101	CER	Initial			
5		Anthem Bronze Direct Access - cabz	EOC_ENG_HMOCOLORADO_76680C00220003_20140101	CER	Initial			

SERFF Tracking #:

AWLP-129016424

State Tracking #:

278047

Company Tracking #:

State: Colorado

Filing Company: HMO Colorado, Inc.

TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014

Project Name/Number: /

Lead Form Number:

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
6		Anthem Bronze Direct Access - caaf	EOC_ENG_HMOCOLORADO_76680C00220004_20140101	CER	Initial			
7		Anthem Bronze Direct Access with HSA - caar	EOC_ENG_HMOCOLORADO_76680C00220005_20140101	CER	Initial			
8		Anthem Silver Direct Access - cbma	EOC_ENG_HMOCOLORADO_76680C00220007_20140101	CER	Initial			
9		Anthem Silver Direct Access - cbku	EOC_ENG_HMOCOLORADO_76680C00220008_20140101	CER	Initial			
10		Anthem Silver Direct Access - cbka	EOC_ENG_HMOCOLORADO_76680C00220009_20140101	CER	Initial			

SERFF Tracking #:

AWLP-129016424

State Tracking #:

278047

Company Tracking #:

State: Colorado

Filing Company: HMO Colorado, Inc.

TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014

Project Name/Number: /

Lead Form Number:

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
11		Anthem Silver Direct Access - cbhw	EOC_ENG_HMOCOLORADO_76680C00220010_20140101	CER	Initial			
12		Anthem Silver Direct Access - cbds	EOC_ENG_HMOCOLORADO_76680C00220011_20140101	CER	Initial			
13		Anthem Gold Direct Access - ccab	EOC_ENG_HMOCOLORADO_76680C00220012_20140101	CER	Initial			
14		Anthem Gold Direct Access with Dental - cdcp	EOC_ENG_HMOCOLORADO_76680C00220013_20140101	CER	Initial			
15		Anthem Catastrophic Direct Access	EOC_ENG_HMOCOLORADO_76680C00250015_20140101	CER	Initial			

SERFF Tracking #:

AWLP-129016424

State Tracking #:

278047

Company Tracking #:

State: Colorado

Filing Company: HMO Colorado, Inc.

TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014

Project Name/Number: /

Lead Form Number:

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
16		Anthem Core Direct Access with HSA - cacc	EOC_ENG_HMOCOLORADO_76680C00250001_20140101	CER	Initial			
17		Anthem Core Direct Access - caca	EOC_ENG_HMOCOLORADO_76680C00250002_20140101	CER	Initial			
18		Anthem Core Direct Access with Dental - cdca	EOC_ENG_HMOCOLORADO_76680C00250006_20140101	CER	Initial			
19		Anthem Core Direct Access - cabz	EOC_ENG_HMOCOLORADO_76680C00250003_20140101	CER	Initial			
20		Anthem Core Direct Access - caaf	EOC_ENG_HMOCOLORADO_76680C00250004_20140101	CER	Initial			

SERFF Tracking #:

AWLP-129016424

State Tracking #:

278047

Company Tracking #:

State: Colorado

Filing Company: HMO Colorado, Inc.

TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014

Project Name/Number: /

Lead Form Number:

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
21		Anthem Core Direct Access with HSA - caar	EOC_ENG_HMOCOLORADO_76680C00250005_20140101	CER	Initial			
22		Anthem Essential Direct Access - cbma	EOC_ENG_HMOCOLORADO_76680C00250007_20140101	CER	Initial			
23		Anthem Essential Direct Access - cbku	EOC_ENG_HMOCOLORADO_76680C00250008_20140101	CER	Initial			
24		Anthem Essential Direct Access - cbka	EOC_ENG_HMOCOLORADO_76680C00250009_20140101	CER	Initial			
25		Anthem Essential Direct Access - cbhw	EOC_ENG_HMOCOLORADO_76680C00250010_20140101	CER	Initial			

SERFF Tracking #:

AWLP-129016424

State Tracking #:

278047

Company Tracking #:

State: Colorado

Filing Company:

HMO Colorado, Inc.

TOI/Sub-TOI: HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO

Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014

Project Name/Number: /

Lead Form Number:

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
26		Anthem Essential Direct Access - cbds	EOC_ENG_HMOCOLORADO_76680C00250011_20140101	CER	Initial			
27		Anthem Essential Direct Access - cbgq	EOC_ENG_HMOCOLORADO_76680C00250012_20140101	CER	Initial			
28		Anthem Preferred Direct Access - ccab	EOC_ENG_HMOCOLORADO_76680C00250013_20140101	CER	Initial			
29		Anthem Preferred with Dental - cdcp	EOC_ENG_HMOCOLORADO_76680C00250014_20140101	CER	Initial			

Form Type Legend:

ADV	Advertising	AEF	Application/Enrollment Form
CER	Certificate	CERA	Certificate Amendment, Insert Page, Endorsement or Rider
DDP	Data/Declaration Pages	FND	Funding Agreement (Annuity, Individual and Group)

SERFF Tracking #:

AWLP-129016424

State Tracking #:

278047

Company Tracking #:**State:**

Colorado

Filing Company:

HMO Colorado, Inc.

TOI/Sub-TOI:

HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name:

HMO Colorado Individual Rate Filing Effective 1/1/2014

Project Name/Number:

/

MTX	Matrix	NOC	Notice of Coverage
OTH	Other	OUT	Outline of Coverage
PJK	Policy Jacket	POL	Policy/Contract/Fraternal Certificate
POLA	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	SCH	Schedule Pages

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Rate Justification

Rate Methodology

The historical experience used to develop the rates was from Anthem's Colorado Small Group paid claims for all business incurred from Nov 2011 - Oct 2012 with paid claim runout through Dec 2012. Applied to this experience were adjustments to reflect differences in demographics (-8.7 benefits (-8.1 and population morbidity (15.0 The experience was then trended to the rating period using an assumption of 10.1er member per month cost trend per year. Lastly, the trended experience was adjusted to reflect changes in pharmacy rebates (-0.7 pediatric dental (0.04 and pediatric vision (0.03 The filing includes appropriate rating factors for age, smoking, area, network, and benefits that comply with ACA guidelines as applicable. It is assumed in the filing that a risk adjustment transfer payment will not occur for this block of business. As detailed in the summary table at the end of this letter, the total premium retention included in the filing is 21.84 The Colorado Conventional Loss Ratio is 78.16The Federal MLR Loss Ratio is 84.52

Division Objections

None

Approved Rate Changes

The division has filed the rate change included in this submission effective July 19, 2013.

Exhibit of Anticipated Premium Retention

f Premium

Issuer Primary Expense and Profit Retention Retained

Administrative Expenses (not including expenses in Additional Allowed Section Below): 7.47 Commissions: 3.10 Profit and Contingencies After Taxes: 2.90 Contingencies: 0.00 FIT - Federal Income Taxes (includes taxes on profit

State:	Colorado	Filing Company:	HMO Colorado, Inc.
TOI/Sub-TOI:	HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO		
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014		
Project Name/Number:	/		

Rate Information

Rate data applies to filing.

Filing Method:	Electronic
Rate Change Type:	%
Overall Percentage of Last Rate Revision:	%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):	
HMO Colorado, Inc.	New Product	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%	
Product Type:		HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:		0							
Policy Holders:		0							

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Rate Review Detail

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

COMPANY:

Company Name: HMO Colorado, Inc.
HHS Issuer Id: 76680
Product Names: HMO
Trend Factors: The annual pricing trend used in the development of the rates is 10.1%. The trend is based on projected cost and utilization trends by place of service, including anticipated changes in provider contracts. Normalization adjustments are made for persistent business, age/gender, and large claims. Trend also includes an estimate for leveraging. The claims are trended 26 months from the midpoint of the experience period, which is May 1, 2012, to the midpoint of the projection period, which is July 1, 2014.

FORMS:

New Policy Forms: EOC_ENG_HMOCOLORADO_76680CO0220014_20140101,
EOC_ENG_HMOCOLORADO_76680CO0220001_20140101,
EOC_ENG_HMOCOLORADO_76680CO0220002_20140101,
EOC_ENG_HMOCOLORADO_76680CO0220006_20140101,
EOC_ENG_HMOCOLORADO_76680CO0220003_20140101,
EOC_ENG_HMOCOLORADO_76680CO0220004_20140101,
EOC_ENG_HMOCOLORADO_76680CO0220005_20140101,
EOC_ENG_HMOCOLORADO_76680CO0220007_20140101,
EOC_ENG_HMOCOLORADO_76680CO0220008_20140101,
EOC_ENG_HMOCOLORADO_76680CO0220009_20140101,
EOC_ENG_HMOCOLORADO_76680CO0220010_20140101,
EOC_ENG_HMOCOLORADO_76680CO0220011_20140101,
EOC_ENG_HMOCOLORADO_76680CO0220012_20140101,
EOC_ENG_HMOCOLORADO_76680CO0220013_20140101,
EOC_ENG_HMOCOLORADO_76680CO0250015_20140101,
EOC_ENG_HMOCOLORADO_76680CO0250001_20140101,
EOC_ENG_HMOCOLORADO_76680CO0250002_20140101,
EOC_ENG_HMOCOLORADO_76680CO0250006_20140101,
EOC_ENG_HMOCOLORADO_76680CO0250003_20140101,
EOC_ENG_HMOCOLORADO_76680CO0250004_20140101,
EOC_ENG_HMOCOLORADO_76680CO0250005_20140101,
EOC_ENG_HMOCOLORADO_76680CO0250007_20140101,
EOC_ENG_HMOCOLORADO_76680CO0250008_20140101,
EOC_ENG_HMOCOLORADO_76680CO0250009_20140101,
EOC_ENG_HMOCOLORADO_76680CO0250010_20140101,
EOC_ENG_HMOCOLORADO_76680CO0250011_20140101,
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EOC_ENG_HMOCOLORADO_76680CO0250013_20140101,
EOC_ENG_HMOCOLORADO_76680CO0250014_20140101

Affected Forms:

Other Affected Forms:

REQUESTED RATE CHANGE INFORMATION:

State: Colorado **Filing Company:** HMO Colorado, Inc.
TOI/Sub-TOI: HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO
Product Name: HMO Colorado Individual Rate Filing Effective 1/1/2014
Project Name/Number: /

Change Period: Annual
Member Months: 1,509,264
Benefit Change: None
Percent Change Requested: Min: 0.0 Max: 0.0 Avg: 0.0

PRIOR RATE:

Total Earned Premium: 0.00
Total Incurred Claims: 0.00
Annual \$: Min: 0.00 Max: 0.00 Avg: 0.00

REQUESTED RATE:

Projected Earned Premium: 584,260,405.00
Projected Incurred Claims: 470,310,973.00
Annual \$: Min: 103.10 Max: 1,784.25 Avg: 387.11

SERFF Tracking #:	AWLP-129016424	State Tracking #:	278047	Company Tracking #:	
State:	Colorado	Filing Company:	HMO Colorado, Inc.		
TOI/Sub-TOI:	HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO				
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014				
Project Name/Number:	/				

Rate/Rule Schedule

State:	Colorado	Filing Company:	HMO Colorado, Inc.
TOI/Sub-TOI:	HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO		
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014		
Project Name/Number:	/		

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
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SERFF Tracking #:

AWLP-129016424

State Tracking #:

278047

Company Tracking #:

State:

Colorado

Filing Company:

HMO Colorado, Inc.

TOI/Sub-TOI:

HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name:

HMO Colorado Individual Rate Filing Effective 1/1/2014

Project Name/Number:

/

1		CO IND Rate Manual	EOC_ENG_HMOCOLORADO_76 680CO0220014_20140101, EOC_ENG_HMOCOLORADO_76 680CO0220001_20140101, EOC_ENG_HMOCOLORADO_76 680CO0220002_20140101, EOC_ENG_HMOCOLORADO_76 680CO0220006_20140101, EOC_ENG_HMOCOLORADO_76 680CO0220003_20140101, EOC_ENG_HMOCOLORADO_76 680CO0220004_20140101, EOC_ENG_HMOCOLORADO_76 680CO0220005_20140101, EOC_ENG_HMOCOLORADO_76 680CO0220007_20140101, EOC_ENG_HMOCOLORADO_76 680CO0220008_20140101, EOC_ENG_HMOCOLORADO_76 680CO0220009_20140101, EOC_ENG_HMOCOLORADO_76 680CO0220010_20140101, EOC_ENG_HMOCOLORADO_76 680CO0220011_20140101, EOC_ENG_HMOCOLORADO_76 680CO0220012_20140101, EOC_ENG_HMOCOLORADO_76 680CO0220013_20140101, EOC_ENG_HMOCOLORADO_76 680CO0250015_20140101, EOC_ENG_HMOCOLORADO_76	New		CO IND Rate Manual.pdf,
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SERFF Tracking #:

AWLP-129016424

State Tracking #:

278047

Company Tracking #:

State:

Colorado

Filing Company:

HMO Colorado, Inc.

TOI/Sub-TOI:

HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name:

HMO Colorado Individual Rate Filing Effective 1/1/2014

Project Name/Number:

/

			680CO0250001_20140101, EOC_ENG_HMOCOLORADO_76			
			680CO0250002_20140101, EOC_ENG_HMOCOLORADO_76			
			680CO0250006_20140101, EOC_ENG_HMOCOLORADO_76			
			680CO0250003_20140101, EOC_ENG_HMOCOLORADO_76			
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			680CO0250011_20140101, EOC_ENG_HMOCOLORADO_76			
			680CO0250012_20140101, EOC_ENG_HMOCOLORADO_76			
			680CO0250013_20140101, EOC_ENG_HMOCOLORADO_76			
			680CO0250014_20140101			

Exhibit A - Base Rate Development

Effective January 1, 2014

HMO Colorado, Inc.
Individual

	<u>Paid Claims</u>	
1) Experience Period Cost PMPM	\$ 295.75	Exhibit B
2) <u>x Normalization Factor</u>	<u>0.9127</u>	Exhibit C
3) = Normalized Claims	\$ 269.93	= (1) x (2)
4) x Benefit Changes	0.9187	Exhibit D
5) x Morbidity Changes	1.1498	Exhibit D
6) x Trend Factor	1.2327	Exhibit D
7) <u>x Other Cost of Care Impacts</u>	<u>1.0179</u>	Exhibit D
8) = Projected Claim Cost	\$ 357.77	= (3) x (4) x (5) x (6) x (7)
9) + Other Claim Impacts	(\$2.26)	Exhibit E
10) = Claims Projected to Projection Period	\$ 355.51	= (8) + (9)
11) + Risk Mitigation - Contributions and Payments	(\$43.90)	Exhibit F
12) <u>+ Selling Expense, Administration and Other Retention Items</u>	<u>\$75.50</u>	Exhibit G
13) = Required Premium in Projection Period	\$ 387.11	= (10) + (11) + (12)
14) <u>÷ Average Rating Factors in Projection Period</u>	<u>1.4676</u>	Exhibit H
15) = Base Rate (Average Plan-Level - Age 21 - Non-Tobacco)	\$ 263.77	= (13) ÷ (14)
16) Projected Loss Ratio (Conventional Basis)	80.5%	= [(10) + (11)] ÷ (13)

Exhibit I - Non-Grandfathered Benefit Plan Factors

HMO Colorado, Inc.
Individual
Effective January 1, 2014

On-Exchange Plans:		
<u>Metal Level</u>	<u>HIOS Standard Component Plan ID</u>	<u>Plan Factor</u>
Catastrophic	76680CO0220014	0.6936
Bronze	76680CO0220001	0.8742
	76680CO0220002	0.8139
	76680CO0220006	0.8355
	76680CO0220003	0.8172
	76680CO0220004	0.9371
	76680CO0220005	0.8165
Silver	76680CO0220007	1.0725
	76680CO0220008	1.1114
	76680CO0220009	1.0018
	76680CO0220010	1.0958
	76680CO0220011	1.0929
Gold	76680CO0220012	1.3735
	76680CO0220013	1.3951
Platinum		

Off-Exchange Plans:		
<u>Metal Level</u>	<u>HIOS Standard Component Plan ID</u>	<u>Plan Factor</u>
Catastrophic	76680CO0250015	0.6936
Bronze	76680CO0250001	0.8742
	76680CO0250002	0.8139
	76680CO0250006	0.8355
	76680CO0250003	0.8172
	76680CO0250004	0.9371
	76680CO0250005	0.8165
Silver	76680CO0250007	1.0725
	76680CO0250008	1.1114
	76680CO0250009	1.0018
	76680CO0250010	1.0958
	76680CO0250011	1.0929
	76680CO0250012	1.0882
Gold	76680CO0250013	1.3735
	76680CO0250014	1.3951
Platinum		

Exhibit J - Age Factors

HMO Colorado, Inc.
Individual
Effective January 1, 2014

Age	Rating Factor
0-20	0.635
21-24	1.000
25	1.004
26	1.024
27	1.048
28	1.087
29	1.119
30	1.135
31	1.159
32	1.183
33	1.198
34	1.214
35	1.222
36	1.230
37	1.238
38	1.246
39	1.262
40	1.278
41	1.302
42	1.325
43	1.357
44	1.397
45	1.444
46	1.500
47	1.563
48	1.635
49	1.706
50	1.786
51	1.865
52	1.952
53	2.040
54	2.135
55	2.230
56	2.333
57	2.437
58	2.548
59	2.603
60	2.714
61	2.810
62	2.873
63	2.952
64+	3.000

Exhibit K - Tobacco Factors

HMO Colorado, Inc.
Individual
Effective January 1, 2014

Age	Rating Factor
0-20	1.0000
21+	1.1000

Exhibit L - Area Factors

HMO Colorado, Inc.

Individual

Effective January 1, 2014

Rating Area Description	Rating Factor
1 - Boulder MSA	0.9268
2 - Colorado Springs MSA	0.8875
3 - Denver MSA	0.9467
4 - Fort Collins MSA	0.9984
5 - Grand Junction MSA	1.0633
6 - Greeley PMSA	1.0608
7 - Pueblo MSA	1.0507
8 - SE Non-MSA	1.0450
9 - NE Non-MSA	1.3290
10 - West Non-MSA	1.1935
11 - Resort Non-MSA	1.4693

State:	Colorado	Filing Company:	HMO Colorado, Inc.
TOI/Sub-TOI:	HOrg021 Individual Health Organizations - Health Maintenance (HMO)/HOrg021.005D Individual - HMO		
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014		
Project Name/Number:	/		

Supporting Document Schedules

Bypassed - Item:	HR-1 Form (H)
Bypass Reason:	HR-1 Form is no longer required by state regulation.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	This filing is for new products and is not subject to the review threshold.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	
Attachment(s):	CO IND Fed Act Memo v2.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Unified Rate Review Template
Comments:	
Attachment(s):	URRT CO Ind G1522 76680 Submission.xlsm
Item Status:	
Status Date:	

Satisfied - Item:	Colorado Actuarial Memorandum
Comments:	
Attachment(s):	CO IND Excel Exhibits.xlsx CO IND State Act Memo.pdf CO IND Annualized Premium & Claim Projection.pdf
Item Status:	
Status Date:	

State:	Colorado	Filing Company:	HMO Colorado, Inc.
TOI/Sub-TOI:	HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO		
Product Name:	HMO Colorado Individual Rate Filing Effective 1/1/2014		
Project Name/Number:	/		

Satisfied - Item:	Rate Sample
Comments:	
Attachment(s):	CO IND Rate Sample.xlsx
Item Status:	
Status Date:	

SERFF Tracking #:

AWLP-129016424

State Tracking #:

278047

Company Tracking #:

State:

Colorado

Filing Company:

HMO Colorado, Inc.

TOI/Sub-TOI:

HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name:

HMO Colorado Individual Rate Filing Effective 1/1/2014

Project Name/Number:

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Attachment URRT CO Ind G1522 76680 Submission.xlsm is not a PDF document and cannot be reproduced here.

Attachment CO IND Excel Exhibits.xlsx is not a PDF document and cannot be reproduced here.

Attachment CO IND Rate Sample.xlsx is not a PDF document and cannot be reproduced here.

ACTUARIAL MEMORANDUM

1. General Information

- Company Identifying Information

Company Legal Name:	HMO Colorado, Inc.
State:	Colorado
HIOS Issuer ID:	76680
Market:	Individual
Effective Date:	January 1, 2014

- Company Contact Information

Primary Contact Name:	Steve Spelshaus
Primary Contact Telephone Number:	(303) 831-2073
Primary Contact Email Address:	Steven.Spelshaus@anthem.com

2. Scope and Purpose of the Filing

To the best of Anthem's knowledge and current understanding, this filing complies with the most recent regulations and related guidance. Anthem's intention is to fully comply with all applicable laws and guidance; however, the regulatory framework continues to change and evolve rapidly. To the extent relevant rules or guidance on the rules are updated or changed, amendments to this filing may be required.

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA). The rates will be in-force for effective dates on or after January 1, 2014. These rates will apply to plans offered both On-Exchange and Off-Exchange. This rate filing is not intended to be used for other purposes.

Policy Form Number(s):	EOC_ENG_HMOCOLORADO_76680CO0220014_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220001_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220002_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220006_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220003_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220004_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220005_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220007_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220008_20140101
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	EOC_ENG_HMOCOLORADO_76680CO0220010_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220011_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220012_20140101

EOC_ENG_HMOCOLORADO_76680CO0220013_20140101
EOC_ENG_HMOCOLORADO_76680CO0250015_20140101
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EOC_ENG_HMOCOLORADO_76680CO0250013_20140101
EOC_ENG_HMOCOLORADO_76680CO0250014_20140101

3. Description of How the Base Rate Is Determined

The development of the Base Rate is detailed in Exhibit A - Base Rate Development. Further details on how the base rate is developed can be found in Section 8: Credibility Manual Rate Development, Section 11: Risk Adjustment and Reinsurance, Section 12: Non-Benefit Expenses, Profit and Risk, and Section 13: Average 2014 Rating Factors. A description of the methodology used to determine the base rate is as follows:

- Historical Individual experience is not considered representative of the future market; therefore, the manual rates are developed based on Small Group Grandfathered and Non-Grandfathered experience.
- The experience data is normalized to reflect anticipated changes in age/gender, area/network and benefit plan from the experience period to the projection period based on expected distribution of membership.
- The projected claims cost is calculated by adjusting the normalized claims for the impact of benefit changes, population morbidity, trend factors, other cost of care impacts and other claim adjustments.
- The projection period is January 1, 2014 - December 31, 2014.
- Adjustments for risk adjustment and reinsurance are applied to the projected claims cost.
- Non-benefit expenses, profit, and risk are applied to the projected claims cost to determine the required projection period premium.
- The average rating factors in the projection period are applied to the projection period premium to determine the base rate.
- The base rate represents an average benefit plan and area for an age 21 non-tobacco user in Colorado.

Premiums at the member level are determined by multiplying the base rate by the applicable factor for each of the allowable rating criteria: age, tobacco, area, and benefit plan. An example of this calculation is shown in Exhibit M - Sample Rate Calculation.

4. Proposed Rate Increase

New product filing; this section is not applicable.

5. Experience Period Premium and Claims

Experience shown in Worksheet 1, Section I of the Unified Rate Review Template is for the Colorado Individual Single Risk Pool Non-Grandfathered Business. This experience is deemed not credible and therefore is not used for development of manual rates. The manual rates are fully detailed in Section 8: Credibility Manual Rate Development.

Because the HIOS ID assigned to the HMO Colorado, Inc. legal entity is actually the ID for Rocky Mountain Hospital And Medical Service, Inc. (Anthem's PPO legal entity), experience for HMO Colorado, Inc. must be excluded from the URRT so it may be validated and accepted upon submission. Exhibit W - HMO URRT Experience displays the information that would appear in Worksheet 1 and the terminated products column of Worksheet 2 of the URRT provided HMO Colorado, Inc. was assigned a unique HIOS ID. References to URRT experience data in this memorandum are consistent with the information in Exhibit W.

Claims experience in Worksheet 1, Section I of the Unified Rate Review Template reflects dates of service from January 1, 2012 through December 31, 2012.

- **Paid Through Date**

Claims shown in Worksheet 1, Section I of the Unified Rate Review Template are paid through December 31, 2012.

- **Allowed and Incurred Claims Incurred During the Experience Period**

The allowed claims are determined by subtracting non-covered benefits, provider discounts, and coordination of benefits amounts from the billed amount.

Allowed and incurred claims are completed using the chain ladder method, an industry standard, by using historic paid vs. incurred claims patterns. The method calculates historic completion percentages, representing the percent of claims paid for a particular month after one month of run out, two months, etc., for a forty-eight month view of history. Claim backlog files are reviewed on a monthly basis and are accounted for in the historical completion factor estimates.

- **Premiums (net of MLR Rebate) in Experience Period**

The estimated Non-Grandfathered gross earned premium for Colorado Individual is \$433,557, where earned premium is the pro-rata share of premium owed to Anthem due to subscribers actively purchasing insurance coverage during the experience period.

The preliminary MLR Rebate estimate is \$0, which is consistent with the 12/31/2012 Anthem general ledger estimate allocated to the Non-Grandfathered portion of Individual. Note that this is an estimate and will not be final until 6/1/2013.

6. Benefit Categories

The methodology used to determine benefit categories in Worksheet 1, Section II of the Unified Rate Review Template is as follows:

- Inpatient Hospital: Includes non-capitated facility services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.
- Outpatient Hospital: Includes non-capitated facility services for surgery, emergency room, lab, radiology, therapy, observation, and other services provided in an outpatient facility setting and billed by the facility.
- Professional: Includes non-capitated primary care, specialist, therapy, the professional component of laboratory and radiology, and other professional services, other than hospital based professionals whose payments are included in facility fees.
- Other Medical: Includes non-capitated ambulance, home health care, DME, prosthetics, supplies, vision exams, dental services, and other services.
- Capitation: Includes all services provided under one or more capitated arrangements.
- Prescription Drug: Includes drugs dispensed by a pharmacy and rebates received from drug manufacturers.

7. Projection Factors

As previously indicated, the credibility level assigned to the experience in Worksheet 1, Section III of the Unified Rate Review Template is 0%. Consequently, factors to project experience claims are not provided as they are not applicable. However, the factors used to develop the manual rates are fully detailed in Section 8: Credibility Manual Rate Development.

8. Credibility Manual Rate Development

Experience developed and projected herein is Anthem's Small Group Business based on plan liability amounts. The rate development is shown in Exhibit A - Base Rate Development.

- Source and Appropriateness of Experience Data Used

Anthem is using its Small Group experience to develop the manual rates.

The source data underlying the development of the manual rate consists of claims for all Grandfathered and Non-Grandfathered Small Group business, incurred during the period November 1, 2011 – October 31, 2012 and paid through December 31, 2012. Completion factors are then calculated to reflect additional months of runout after December 31, 2012. Anthem expects a large portion of the Grandfathered policyholders to migrate to ACA-compliant policies prior to and during the projection period.

Experience is adjusted as follows:

- Claims incurred for members who live out-of-state were excluded; however, claims incurred by in-state members traveling out-of-state were included.

For more detail, see Exhibit B - Claims Experience for Manual Rate Development.

- **Adjustments Made to the Data**

The development of the projected claims is summarized in Exhibit A - Base Rate Development, items (1) - (10), and described in detail below.

The projected claims cost is calculated by multiplying the normalized claims cost by the impact of benefit changes, anticipated changes in population morbidity, and cost of care impacts. The adjustments are described below, and the factors are presented in Exhibit D - Projection Period Adjustments.

Changes in Demographics (Normalization)

The source data was normalized to reflect anticipated changes in age/gender, area/network and benefit plan from the experience period to the projection period. The purpose of these factors is to adjust current experience to be reflective of expected claim experience in the projection period. See Section 18: Membership Projections for additional information on membership movement. The normalization factors and their aggregate impact on the underlying experience data are detailed in Exhibit C - Normalization Factors.

- **Age/Gender:** The assumed claims cost is applied by age and gender to the experience period distribution and the projection period distribution.
- **Area/Network:** The area claims factors are developed based on an analysis of Small Group and Individual allowed claims by network, mapped to the prescribed 2014 rating areas using 5-digit zip code.
- **Benefit Plan:** The experience period claims are normalized to an average 2014 plan using benefit relativities. The benefit relativities include the value of cost shares and anticipated changes in utilization due to the difference in average cost share requirements.

Changes in Benefits

Benefit changes include the following:

- Preventive Rx (over the counter): The claims are adjusted for 100% coverage of benefits for specific over the counter drugs obtained with a prescription from a physician.
- Rx Adjustments: The claims are adjusted for differences in the Rx formulary, network, mandatory mail order programs, coverage for preventive prescription drugs previously sold over-the-counter, and impacts for moving drugs into different tiers in the projection period relative to what is reflected in the base experience data.

Changes in the Morbidity of the Population Insured

Morbidity changes include the following:

- Higher morbidity expected from individual-level purchasing decisions in 2014: Anthem assumes that the morbidity of the smallest groups, sizes 1 – 5 members, relative to the total small group population are a reasonable approximation for the health status of the individual market. Relative morbidity by group size is based on health status determined from internal risk score data.
- Higher morbidity of the uninsured compared to the insured population: This adjustment is based on a CDC study on the health status and life styles of both currently insured and uninsured populations. This adjustment also considers the expected number of previously uninsured individuals expected to move into the Individual market in 2014.
- Pent-up demand: As previously uninsured individuals obtain insurance in 2014, Anthem expects them to have some pent-up demand for health care services. An adjustment is needed to account for this additional utilization of health care services in year one. Previously uninsured individuals are assumed to utilize more health care services due to pent-up demand. Currently insured members are assumed to have no pent-up demand for health care services in year one.
- Morbidity of Non-Grandfathered compared to Grandfathered members: The base period experience includes Grandfathered and Non-Grandfathered members. The experience is adjusted to account for the different morbidity between Grandfathered and Non-Grandfathered members to derive a Non-Grandfathered only rate.
- Impact of selection due to renewal timing changes: All individuals have the option to change renewal date to December 2013 and remain on their current product until they renew again in 2014. The individuals experiencing rate increases in 2014 are more likely to elect to move renewal date.

Trend Factors

- The annual pricing trend used in the development of the rates is 10.1%. The trend is based on projected cost and utilization trends by place of service, including anticipated changes in provider contracts. Normalization adjustments are made for persistent business, age/gender, and large claims. Trend also includes an estimate for leveraging. The claims are trended 26 months from the midpoint of the experience period, which is May 1, 2012, to the midpoint of the projection period, which is July 1, 2014.

Other Cost of Care Impacts

- Induced Demand Due to Cost Share Reductions: Individuals below 200% Federal Poverty Level who enroll in silver plans On-Exchange will be eligible for cost share reductions. As a result, the base period experience is adjusted to account for the higher anticipated utilization levels.
- Grace Period: The base period experience is adjusted upward to account for some incidence of enrollees not paying premiums due during the first month of the 90-day grace period when the QHP is liable for paying claims. Anthem is assuming a 15% rate of premium non-payment on one-twelfth of the annual premium due for 60% of the Individual population (those eligible for Advance Payments of a Premium Tax Credit). The amount of premium at risk is only on the portion that Anthem does not receive via direct subsidy, estimated to be about 50%. These assumptions result in an upward adjustment to the base rate of 0.375% ($0.15 \times 0.60 \times 50\% \times 1/12 = 0.00375$).

Other Claim Adjustments

The adjustments described below are presented in Exhibit E - Other Claim Adjustments.

- Rx Rebates: The projected claims cost is adjusted to reflect anticipated Rx rebates. These projections take into account the most up-to-date information regarding anticipated rebate contracts, drug prices, anticipated price inflation, and upcoming patent expirations.
- The cost of adding benefits for pediatric dental and vision are included.

- **Capitation Payments**

The underlying data includes capitation payments, which are combined with the base medical and pharmacy claims and projected at the same rate. No further adjustment is made to the capitation.

9. Credibility of Experience

The experience in Worksheet 1, Section III of the Unified Rate Review Template does not reasonably reflect Individual claims experience under the future market conditions. Anthem believes that Small Group experience is more representative of the future projection period. Actuarial judgment has been exercised to determine that rates will be developed giving full credibility to the data underlying the manual rate in Section 8: Credibility Manual Rate Development.

- Resulting Credibility Level Assigned to Base Period Experience

The credibility level assigned to the experience in Worksheet 1, Section III of the Unified Rate Review Template is 0%.

10. Paid to Allowed Ratio

The 'Paid to Allowed Average Factor in Projection Period' shown in Worksheet 1, Section III of the Unified Rate Review Template is developed by membership-weighted essential health benefit paid claims divided by membership-weighted essential health benefit allowed claims of each plan. The projected membership by plan is shown in Worksheet 2, Section II.

11. Risk Adjustment and Reinsurance

- Projected Risk Adjustment

The Risk Adjustment program transfers funds from lower risk plans to higher risk plans in the Non-Grandfathered Individual and Small Group market. At this time, Anthem is assuming the risk for the plans in this filing are no better or worse than other plans in the market, resulting in no estimated risk transfer value as shown in Exhibit F - Risk Adjustment and Reinsurance - Contributions and Payments.

- Projected ACA Reinsurance Recoveries Net of Reinsurance Premium

The transitional reinsurance risk mitigation program collects funds from all insurance issuers and TPAs and redistributes them to high cost claimants in the Non-Grandfathered Individual market. The reinsurance contribution is equal to the national per capita reinsurance contribution rate as shown in Exhibit F - Risk Adjustment and Reinsurance - Contributions and Payments.

The reinsurance payment is developed using projected paid claims, claim probability distribution, and reinsurance payment guidelines. The claim probability distribution observes claims between \$60K and \$250K using a claim probability distribution that reflects the anticipated claim cost distribution of the 2014 Individual market. Expected paid claims are calculated for an assumed average On-Exchange plan design. Reinsurance payments are allocated proportionally by plan premiums to all plans in the risk pool.

12. Non-Benefit Expenses, Profit and Risk

Non-Benefit expenses are detailed in Exhibit G - Non-Benefit Expenses and Profit & Risk.

- Administrative Expense

Administrative Expense contains both acquisition costs associated with the production of new business through non-broker distribution channels (direct, telesales, etc) as well as maintenance costs associated with ongoing costs for the administration of the business. Acquisition costs are projected using historical cost per member sold amounts applied to future sales estimates. Maintenance costs are assumed to be flat on a per member basis with savings from fixed cost leverage and the elimination of underwriting offset by new expenses for risk management, regulatory compliance and premium reconciliation and balancing.

- Quality Improvement Expense

The quality improvement expense represents Anthem's dedication to providing the highest standard of customer care and consistently seeking to improve health care quality, outcomes and value in a cost efficient manner.

- Selling Expense

Selling Expense represents broker commissions and bonuses associated with the broker distribution channel using historical and projected commission levels. Commissions will be paid On-Exchange and Off-Exchange.

- Taxes and Fees

- Patient-Centered Outcomes Research Institute (PCORI) Fee: The PCORI fee is a federally-mandated fee designed to help fund the Patient-Centered Outcomes Research Trust Fund. For plan years ending before October 1, 2014, the fee is \$2 per member per year. Thereafter, for every plan year ending before October 1, 2019, the fee will increase by the percentage increase in National Healthcare Expenditures.
- Risk Adjustment Fee: The Risk Adjustment fee is a user fee to support the administration of the HHS operated Risk Adjustment program. The charge is \$1 per enrollee per year.
- ACA Insurer Fee: The health insurance industry will be assessed a permanent fee, based on market share of net premium, which is not tax deductible.
- Exchange Fee: The Exchange User Fee applies to Exchange business only, but the cost is spread across all Individual plans. It is a blended fee based on the assumed percentage of members that will purchase products On-Exchange and Off-Exchange.
- Federal, state, and premium taxes are also included in the retention items.

- Profit

Profit is reflected on a post-tax basis as a percent that does not vary by product or plan.

13. Average 2014 Rating Factors

The required premium in the projection period is adjusted to reflect the average age, tobacco, area, and benefit plan rating factors to develop the rating period base rate. The average factors are shown in Exhibit H - Average 2014 Rating Factors and applied in line item 14 of Exhibit A - Base Rate Development.

- **Benefit Plan Factors**

Refer to Exhibit I - Non-Grandfathered Benefit Plan Factors.

- **Age and Tobacco Factors**

Refer to Exhibit J - Age Factors.

Refer to Exhibit K - Tobacco Factors.

- **Area Factors**

Refer to Exhibit L - Area Factors.

14. Projected Loss Ratio

- **Projected Federal MLR**

The projected Federal MLR for the products in this filing is estimated in Exhibit N - Federal MLR Estimated Calculation. Please note that this calculation is purely an estimate and not meant to be a true measure for Federal or State MLR rebate purposes. The products in this filing represent only a subset of Anthem's Individual business. The MLR for Anthem's entire book of Individual business will be compared to the minimum Federal benchmark for purposes of determining regulation-related premium refunds. Also note that the projected Federal MLR presented here does not capture all adjustments, including but not limited to third party margins, three-year averaging, credibility, dual option, and deductible. Anthem's projected MLR is expected to meet or exceed the minimum MLR standards at the market level after including all adjustments.

15. Index Rate

- **Experience Period Index Rate**

The index rate represents the average allowed claims of essential health benefits for HMO Colorado, Inc.'s Individual Non-Grandfathered Business. The experience period index rate shown in Worksheet 1, Section I (cell G17) of the Unified Rate Review Template is \$1540.74 and is the same as the experience period allowed claims (cell G16 in same location). A comparison to the benchmark was performed, and only essential health benefits were covered during the experience period.

- **Projection Period Index Rate**

The index rate represents the average allowed claims PMPM of essential health benefits for HMO Colorado, Inc.'s Individual Non-Grandfathered Business. The projection period index rate was developed as shown in Exhibit O - Projected Index Rate Development by adjusting the projected incurred claims PMPM described in Section 8: Credibility Manual Rate Development of this memorandum. No benefits in excess of the essential health benefits are included in the projection period allowed claims (cell T30 of Worksheet 1, Section II of the Unified Rate Review Template) and Exhibit O's projection period index rate (also shown in cell V44 of Worksheet 1, Section III of the Unified Rate Review Template). To calculate the required premium, the projection period index rate is adjusted only by the adjustments allowed per Market Reform and Payment Parameters Regulations. This development is presented in Exhibit P - Development of Required Premium from Index Rate.

16. Actuarial Value Metal Values

The Actuarial Value (AV) Metal Values included in Worksheet 2 of the Unified Rate Review Template are based on the AV Calculator. To the extent a component of the benefit design was not accommodated by an available input within the AV Calculator, the benefit characteristic was adjusted to be actuarially-equivalent to an available input within the AV Calculator for purposes of utilizing the AV Calculator as the basis for the AV Metal Values. Benefits for Plans that are not compatible with the parameters of the AV Calculator have been separately identified and documented in the Unique Plan Design Supporting Documentation and Justification that supports the Plan & Benefits Template.

17. Actuarial Value Pricing Values

The Actuarial Value (AV) Pricing Values for each Product ID are in Worksheet 2, Section I of the Unified Rate Review Template. The fixed reference plan selected as the basis for the AV Pricing Value calculations is '76680CO0220007'. Utilization adjustments are made to account for member behavior variations, depending on the richness of the benefit design and not the health status of the member. The average allowable modifiers to the Index Rate can be found in Exhibit P - Development of Required Premium from Index Rate.

18. Membership Projections

Membership projections are developed using a population movement model and adjustments for sales expectations. This model projects the membership in the projection period by taking into account:

- Uninsured to Individual as a result of guaranteed issue, subsidized coverage, and individual mandate
- Small Group to Individual as a result of guaranteed issue and rate disruptions due to the transition to Modified Community Rating
- High Risk Pools to Individual as a result of guaranteed issue
- Individual and Uninsured to Medicaid as a result of expanded Medicaid eligibility

The plan distribution is based on assumed metal tier and network distributions.

Refer to Exhibit D - Projection Period Adjustments for the projected morbidity changes from population movement.

Cost share reduction subsidies will be available on silver level plans. Anthem ran projections to estimate enrollment by income level in each of the plans. Projected enrollment by plan and subsidy level can be found in Exhibit R - Membership Projections for Cost-Sharing Reductions.

19. Warning Alerts

The sum of the allowed claims for plan level projections on Worksheet 2, Section IV of the Unified Rate Review Template are net of projected risk adjustments and projected ACA reinsurance recoveries and premium, which is consistent with the Unified Rate Review Template instructions for the allowed claims as well as the check in cell B86. However, this results in the allowed claims PMPM to be mismatched to the check in cell B99 since B99 does not net the impacts of projected risk adjustments and projected ACA reinsurance recoveries and premium, so a warning may result in A99.

20. Terminated Products

Non ACA-compliant products will no longer be offered to new enrollees effective January 1, 2014 but will remain in effect in 2014 until enrollees renew onto ACA-compliant products. The list of non ACA-compliant terminated products are shown in Exhibit Q - Terminated Products.

21. Plan Type

Plan types in Worksheet 2, Section I of the URRT adequately describe Anthem's plans.

22. Reliance

In support of this rate development, various data and analyses were provided by other members of WellPoint's internal actuarial staff, including data and analysis related to cost of care, valuation, and pricing. I have reviewed these data and analyses for reasonableness and consistency. I have relied on Brian Renshaw, FSA, MAAA to provide the actuarial certification for the Unique Plan Design Supporting Documentation and Justification for plans included in this filing.

Actuarial Certification

I, Michael Polakowski, FSA, MAAA, am an actuary for Anthem. I am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. I hereby certify that the following statements are true to the best of my knowledge with regards to this filing:

(1) The projected Index Rate is:

- In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)),
- Developed in compliance with the applicable Actuarial Standards of Practice
- Reasonable in relation to the benefits provided and the population anticipated to be covered
- Not excessive, inadequate, or unfairly discriminatory.

(2) The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.

(3) The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV is calculated in accordance with actuarial standards of practice.

(4) The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans.

The Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. Rather it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of Qualified Health Plans for Federally-Facilitated Exchanges, and for certification that the Index Rate is developed in accordance with Federal regulation, used consistently, and only adjusted by the allowable modifiers. However, this Actuarial Memo does accurately describe the process used by the issuer to develop the rates.



Michael Polakowski, FSA, MAAA
Regional Vice President and Actuary III

May 14, 2013
Date

Exhibit A - Base Rate Development

Effective January 1, 2014

HMO Colorado, Inc.
Individual

	<u>Paid Claims</u>	
1) Experience Period Cost PMPM	\$ 295.75	Exhibit B
2) <u>x Normalization Factor</u>	<u>0.9127</u>	Exhibit C
3) = Normalized Claims	\$ 269.93	= (1) x (2)
4) x Benefit Changes	0.9187	Exhibit D
5) x Morbidity Changes	1.1498	Exhibit D
6) x Trend Factor	1.2327	Exhibit D
7) <u>x Other Cost of Care Impacts</u>	<u>1.0179</u>	Exhibit D
8) = Projected Claim Cost	\$ 357.77	= (3) x (4) x (5) x (6) x (7)
9) + Other Claim Impacts	(\$2.26)	Exhibit E
10) = Claims Projected to Projection Period	\$ 355.51	= (8) + (9)
11) + Risk Mitigation - Contributions and Payments	(\$43.90)	Exhibit F
12) <u>+ Selling Expense, Administration and Other Retention Items {1}</u>	<u>\$75.50</u>	Exhibit G
13) = Required Premium in Projection Period	\$ 387.11	= (10) + (11) + (12)
14) <u>÷ Average Rating Factors in Projection Period</u>	<u>1.4676</u>	Exhibit H
15) = Base Rate (Average Plan-Level - Age 21 - Non-Tobacco)	\$ 263.77	= (13) ÷ (14)
16) Projected Loss Ratio (Conventional Basis)	80.5%	= [(10) + (11)] ÷ (13)

NOTES:

{1} Equivalent to PMPM expenses on Exhibit G + % of premium expenses on Exhibit G applied to Required Premium (Row 13 above).

Exhibit B - Claims Experience for Manual Rate Development

**HMO Colorado, Inc.
Individual**

Incurred November 1, 2011 through October 31, 2012

Paid through December 31, 2012

PPO, HMO, Traditional and Anthem Essential Small Group In-Area Business:

PAID CLAIMS:										
Incurred and Paid Claims:		IBNR:		Fully Incurred Claims:			Total	Member	Total	
Medical	Drug	Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM	
\$ 159,653,348	\$ 32,011,952	\$ 3,329,087	\$ 19,523	\$ 162,982,435	\$ 32,031,475	\$ 9,223	\$ 195,023,133	659,410	\$	295.75

ALLOWED CLAIMS:										
Incurred and Paid Claims:		IBNR:		Fully Incurred Claims:			Total	Member	Total	
Medical	Drug	Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM	
\$ 207,578,978	\$ 47,239,957	\$ 4,189,722	\$ 27,206	\$ 211,768,700	\$ 47,267,163	\$ 9,223	\$ 259,045,086	659,410	\$	392.84

Exhibit C - Normalization Factors

HMO Colorado, Inc.
Individual

Experience Period: November 1, 2011 through October 31, 2012

Normalize to population expected in 2014			
Average claim factors based on future population as compared to experience period population:			
	Average Claim Factors		Normalization
	Experience Period Population	Future Population	Factor
Age/Gender	1.0240	1.0570	1.0322
Area/Network	0.9891	0.8957	0.9056
Benefit Plan	0.8983	0.8771	0.9764
Total	0.9098	0.8304	0.9127

Exhibit D - Projection Period Adjustments

HMO Colorado, Inc. Individual

Impact of Changes Between Experience Period and Projection Period:

	<u>Adjustment Factor</u>
<u>Benefit changes</u>	
Preventive Rx (over the counter)	1.0006
Eliminate Pre-Ex	1.0000
<u>Rx Adjustments {1}</u>	<u>0.9181</u>
Total Benefit Changes	0.9187
<u>Morbidity changes</u>	
Total Morbidity Changes	1.1498
<u>Cost of care impacts</u>	
Annual Medical/Rx Trend Rate	10.1%
# Months of Projection	26
Trend Factor	1.2327
Induced Demand for Cost Share Reductions	1.0140
Grace Period	1.0038

NOTES:

{1} Adjusted for differences in the Rx formulary, network, mandatory mail order programs, and impacts for moving drugs into different tiers in the projection period relative to what is reflected in the base experience data.

Exhibit E - Other Claim Adjustments

HMO Colorado, Inc.
Individual

<i>Adjustments to projection period claims to reflect covered benefits not included in experience period data:</i>	
	<u>PMPM</u>
Rx Rebates	(\$2.52)
Pediatric Dental	\$0.14
Pediatric Vision	\$0.12
<u>Additional Non-EHBs {1}</u>	<u>\$0.00</u>
Total	(\$2.26)

NOTES:

{1} The 'Additional Non-EHBs' adjustment above reflects ONLY additional costs beyond those already captured in line Item 8 of Exhibit A.

Exhibit F - Risk Adjustment and Reinsurance - Contributions and Payments

HMO Colorado, Inc.
Individual
Effective January 1, 2014

<u>Risk Adjustment:</u>			
Description		Transfers funds from lowest risk plans to highest risk plans	
Participants		Non-Grandfathered Individual and Small Group plans (inside and outside Exchange) are eligible	
PMPM		Net Transfer	
Federal Program		\$0.00	
		<u>Note:</u> It is assumed the risk for the plans included in this rate filing is no better/worse than any other plans within this market.	
<u>Reinsurance:</u>			
Description		Provides funding to plans that enroll highest cost individuals	
Participants		All insurance issuers and TPAs contribute funds Non-Grandfathered Individual plans (inside and outside Exchange) are eligible for payments	
PMPM		Contributions Made	Expected Payments
Federal Program		\$5.25	(\$49.15) <i>Small Group Plans contribute funds but only Individual Plans are eligible to receive payments</i>
		<u>Source:</u> HHS estimates a national per capita contribution rate of \$5.25 per month (\$63 per year) in benefit year 2014 and \$3.50 per month (\$42 per year) in 2015 (per Payment Parameter Rule).	
Grand Total of All Risk Mitigation Programs			(\$43.90)

Exhibit G - Non-Benefit Expenses and Profit & Risk

HMO Colorado, Inc. Individual

	<u>PMPM</u>	<u>% Premium</u>
Administrative Costs	\$28.97	
Quality Improvement Expense	\$3.23	
Selling Expense	\$12.00	
ACA Related Fees:		
PCORI Fee	\$0.17	
Risk Adjustment User Fee	\$0.08	
ACA Insurer Fee		2.58%
Exchange User Fee		0.84%
Premium Tax		0.00%
Federal/State Taxes		1.74%
Profit (Post-Tax)		2.86%
Total	\$44.45	8.02%

Exhibit H - Average 2014 Rating Factors

HMO Colorado, Inc.
Individual

Effective January 1, 2014

<i>Average 2014 rating factors for 2014 population:</i>	
	Average Rating Factor
Age/Tobacco	1.4676
Area/Benefit Plan	1.0000
Total	1.4676

NOTES:

The developed base rate is reduced by the overall average rating factor shown above.
See Line Item 14 on Exhibit A.

Exhibit I - Non-Grandfathered Benefit Plan Factors

HMO Colorado, Inc.
Individual
Effective January 1, 2014

On-Exchange Plans:		
<u>Metal Level</u>	<u>HIOS Standard Component Plan ID</u>	<u>Plan Factor</u>
Catastrophic	76680CO0220014	0.6936
Bronze	76680CO0220001	0.8742
	76680CO0220002	0.8139
	76680CO0220006	0.8355
	76680CO0220003	0.8172
	76680CO0220004	0.9371
	76680CO0220005	0.8165
Silver	76680CO0220007	1.0725
	76680CO0220008	1.1114
	76680CO0220009	1.0018
	76680CO0220010	1.0958
	76680CO0220011	1.0929
Gold	76680CO0220012	1.3735
	76680CO0220013	1.3951
Platinum		

Off-Exchange Plans:		
<u>Metal Level</u>	<u>HIOS Standard Component Plan ID</u>	<u>Plan Factor</u>
Catastrophic	76680CO0250015	0.6936
Bronze	76680CO0250001	0.8742
	76680CO0250002	0.8139
	76680CO0250006	0.8355
	76680CO0250003	0.8172
	76680CO0250004	0.9371
	76680CO0250005	0.8165
Silver	76680CO0250007	1.0725
	76680CO0250008	1.1114
	76680CO0250009	1.0018
	76680CO0250010	1.0958
	76680CO0250011	1.0929
	76680CO0250012	1.0882
Gold	76680CO0250013	1.3735
	76680CO0250014	1.3951
Platinum		

NOTES:

Benefit Plan Factors above reflect plan by plan differences from the index rate for allowable adjustments as described in detail in the Market Reform and Payment Parameters Regulations and illustrated in Exhibit P. The weighted average of these adjustments for the entire risk pool included in this rate filing is detailed in Exhibit H.

Exhibit J - Age Factors

HMO Colorado, Inc.
Individual
Effective January 1, 2014

Age	Rating Factor
0-20	0.635
21-24	1.000
25	1.004
26	1.024
27	1.048
28	1.087
29	1.119
30	1.135
31	1.159
32	1.183
33	1.198
34	1.214
35	1.222
36	1.230
37	1.238
38	1.246
39	1.262
40	1.278
41	1.302
42	1.325
43	1.357
44	1.397
45	1.444
46	1.500
47	1.563
48	1.635
49	1.706
50	1.786
51	1.865
52	1.952
53	2.040
54	2.135
55	2.230
56	2.333
57	2.437
58	2.548
59	2.603
60	2.714
61	2.810
62	2.873
63	2.952
64+	3.000

Exhibit K - Tobacco Factors

HMO Colorado, Inc.
Individual
Effective January 1, 2014

Age	Rating Factor
0-20	1.0000
21+	1.1000

Exhibit L - Area Factors

HMO Colorado, Inc.

Individual

Effective January 1, 2014

Rating Area Description	Rating Factor
1 - Boulder MSA	0.9268
2 - Colorado Springs MSA	0.8875
3 - Denver MSA	0.9467
4 - Fort Collins MSA	0.9984
5 - Grand Junction MSA	1.0633
6 - Greeley PMSA	1.0608
7 - Pueblo MSA	1.0507
8 - SE Non-MSA	1.0450
9 - NE Non-MSA	1.3290
10 - West Non-MSA	1.1935
11 - Resort Non-MSA	1.4693

Exhibit M - Sample Rate Calculation

HMO Colorado, Inc. Individual

Name: John Doe
Effective Date: 1/1/2014
On/Off Exchange: On
Metal Level: Silver
Plan: 76680CO0220007
Rating Area: 1 - Boulder MSA

Family Members Covered:

	<u>Age</u>	<u>Smoker?</u>
Subscriber	40	N
Spouse	42	N
Child (age 21+)	25	Y
Child #1	20	N
Child #2	16	N

Calculation of Monthly Premium:

Base Rate =	\$	263.77	Exhibit A
x Benefit Plan Factor		1.0725	Exhibit I
<u>x Area Factor</u>		<u>0.9268</u>	Exhibit L
Base Rate Adjusted for Plan/Area =	\$	262.17	

Age/Tobacco Factors:

Exhibit J and Exhibit K

	<u>Age Factor</u>	<u>Tobacco Factor</u>
Subscriber	1.278	1.00
Spouse	1.325	1.00
Child (age 21+)	1.004	1.10
Child #1	0.635	1.00
Child #2	0.635	1.00

Final Monthly Premium PMPM:

	<u>PMPM</u>
Subscriber	\$ 335.05
Spouse	\$ 347.38
Child (age 21+)	\$ 289.54
Child #1	\$ 166.48
Child #2	\$ 166.48
TOTAL	\$ 1,304.93

NOTES:

{1} As per the Market Reform Rule, when computing family premiums no more than the three oldest covered children under the age of 21 are taken into account whereas the premiums associated with each child age 21+ are included.

{2} Minor rate variances may occur due to differences in rounding methodology.

Exhibit N - Federal MLR Estimated Calculation

HMO Colorado, Inc. Individual

Numerator:

Incurred Claims	\$355.51	Exhibit A
+ Quality Improvement Expense	\$3.23	Exhibit G
+ Risk Corridor Contributions	\$0.00	
+ Risk Adjustment Contributions	\$0.00	Exhibit F
- Reinsurance Receipts	\$49.15	Exhibit F
- Risk Corridor Receipts:	\$0.00	
- Risk Adjustment Receipts:	<u>\$0.00</u>	Exhibit F
= Estimated Federal MLR Numerator	\$309.59	

Denominator:

Premiums	\$387.11	Exhibit A
- Federal and State Taxes	\$6.72	Exhibit G
- Premium Taxes	\$0.00	Exhibit G
- Reinsurance Contributions	\$5.25	Exhibit F
- <u>Licensing and Regulatory Fees</u>	<u>\$13.49</u>	Exhibit G
= Estimated Federal MLR Denominator	\$361.65	

Estimated Federal MLR **85.60%**

NOTES:

The above calculation is purely an estimate and not meant to be compared to the minimum MLR benchmark for federal/state MLR rebate purposes:

- 1) The above calculation represents only the products in this filing. Federal MLR will be calculated at the legal entity and market level.
- 2) Not all numerator/denominator components are captured above (for example, third party vendors excess reimbursement, fraud and prevention program costs, payroll taxes, assessments for state high risk pools etc.).
- 3) Other adjustments may also be applied within the federal MLR calculation such as 3-year averaging, new business, credibility, deductible and dual option. These are ignored in the above calculation.
- 4) Licensing and Regulatory Fees include ACA-related fees as allowed under the MLR Final Rule

Exhibit O - Projected Index Rate Development

Effective January 1, 2014

HMO Colorado, Inc.
Individual

1) Projected Paid Claim Cost	\$	357.77	Exhibit A, Line Item 8
2) <u>- Non-EHBs Embedded in Line Item 1) Above</u>		<u>\$0.00</u>	Exhibit E (see footnote in Exhibit E)
3) = Projected Paid Claims, Excluding ALL Non-EHBs	\$	357.77	
4) + Rx Rebates		(\$2.52)	Exhibit E
5) <u>+ Additional EHBs {1}</u>		<u>\$0.26</u>	Exhibit E
6) = Projected Paid Claims Reflecting <i>only</i> EHBs	\$	355.51	
7) <u>÷ Paid to Allowed Ratio</u>		<u>0.6728</u>	
8) = Projected Allowed Claims Reflecting <i>only</i> EHBs		\$528.38	= Index Rate

NOTES:

{1} Pediatric Dental and Pediatric Vision

Exhibit P - Development of Required Premium from Index Rate

Effective January 1, 2014

HMO Colorado, Inc. Individual

	<u>Weighted Average for Risk Pool</u>	
1) Index Rate	\$528.38	Exhibit O
2) <u>x Paid to Allowed Ratio</u>	<u>0.6728</u>	Exhibit O
3) = Projected Paid Claims Reflecting <i>only</i> EHBs	\$355.51	
<u>Allowable Index Rate Adjustments {1} {2}:</u>		
4) x Benefit Adjustments	1.0000	
5) + Non-EHBs	\$0.00	Exhibit E and Exhibit O
6) x Catastrophic Adjustment	1.0000	
7) x Network Adjustment	1.0000	
8) + Risk Mitigation - Contributions and Payments	(\$43.90)	Exhibit F
9) <u>+ Selling Expense, Administration and Other Retention Items</u>	<u>\$75.50</u>	Exhibit G (also see Exhibit A, Line item 12)
10) = Required Premium in Projection Period	\$387.11	Ties to Exhibit A, Line item 13

NOTES:

- {1} Allowable adjustments to the index rate as made above are in accordance with the Market Reform and Payment Parameters Regulations.
- {2} The above illustrates the allowable adjustments to the average single risk pool index rate as included in this rate filing. These adjustments may vary on a plan by plan basis and such variances are captured in the benefit plan factors as summarized in Exhibit I.
- {3} Plan-level rates are obtained by multiplying the base rate as shown in line item 15 of Exhibit A by the benefit plan factors illustrated in Exhibit I. Further allowable adjustments (age, tobacco and area) are applied to arrive at final premium rates.

Exhibit Q - Terminated Products

HMO Colorado, Inc.
Individual

Following are the products that will be terminated prior to the effective date:

This includes products that have experience included in the URRT during the experience period and any products that were not in effect during the experience period but were made available thereafter.

HIOS Product ID

HIOS Product Name

{1} Note: as each HIOS Product ID covers grandfathered along with non-grandfathered plans, product terminations are not applicable

Exhibit R - Membership Projections for Cost-Sharing Reductions

**HMO Colorado, Inc.
Individual**

Silver Plan		Projected Membership by Subsidy Level:			
<u>HIOS Standard Component Plan ID</u>	<u>100-150%</u>	<u>150%-200%</u>	<u>200%-250%</u>	<u>Standard</u>	
76680CO0220007	14	88	20		74
76680CO0220010	59	378	84		320
76680CO0220011	1,776	11,419	2,538		9,643

Exhibit W - HMO URRT Experience

HMO Colorado, Inc.
Individual

Data Collection Template

Company Legal Name: **HMO Colorado, Inc.** State: **CO**
 HIOS Issuer ID: **76680** Market: **Individual**
 Effective Date of Rate Change(s): **1/1/2014**

Market Level Calculations (Same for all Plans)

Section I: Experience period data

Experience Period: **1/1/2012** to **12/31/2012**

	Experience Period Aggregate Amount	PMPM	% of Prem
Premiums (net of MLR Rebate) in Experience Period:	\$433,557	\$1,197.67	100.00%
Incurred Claims in Experience Period	\$506,438	1,399.00	116.81%
Allowed Claims:	\$557,746	1,540.74	128.64%
Index Rate of Experience Period		\$1,540.74	
Experience Period Member Months	362		

Section II: Allowed Claims, PMPM basis

Experience Period

Projection Period: **1/1/2014** to **12/31/2014** Mid-point to Mid-point, Experience to Projection: **24** months

on Actual Experience Allowed

Adj't. from Experience to Projection Annualized Trend Factors ons, before credibility Adjustment Credibility Manual

Benefit Category	Utilization Description	Utilization per 1,000	Average Cost/Service	PMPM	Pop'l risk Morbidity	Other	Cost	Util	Utilization per 1,000	Average Cost/Service	PMPM	Utilization per 1,000	Average Cost/Service	PMPM
Inpatient Hospital	Days	141.25	\$33,866.01	\$398.63	0.000	0.000	0.000	0.000	0.00	\$0.00	\$0.00	247.62	\$6,305.17	\$130.11
Outpatient Hospital	Visits	803.42	7,440.12	498.13	0.000	0.000	0.000	0.000	0.00	0.00	0.00	1293.74	1,384.02	149.21
Professional	Visits	5,335.14	1,236.42	549.71	0.000	0.000	0.000	0.000	0.00	0.00	0.00	8978.09	230.37	172.36
Other Medical	Visits	320.52	1,888.86	50.45	0.000	0.000	0.000	0.000	0.00	0.00	0.00	536.94	347.00	15.53
Capitation	Benefit Period	12,000.00	2.22	2.22	0.000	0.000	0.000	0.000	0.00	0.00	0.00	12000.00	0.67	0.67
Prescription Drug	Prescriptions	5,550.79	89.92	41.60	0.000	0.000	0.000	0.000	0.00	0.00	0.00	10305.25	70.46	60.51
Total				\$1,540.74							\$0.00			\$528.38

Section III: Projected Experience:

Projected Allowed Experience Claims PMPM (w/applied credibility if applicable)	0.00%	100.00%	After Credibility \$528.38	Projected Period Totals \$797,464,912
Paid to Allowed Average Factor in Projection Period			0.673	
Projected Incurred Claims, before ACA rein & Risk Adj't, PMPM			\$355.51	\$536,558,445
Projected Risk Adjustments PMPM			0.00	0
Projected Incurred Claims, before reinsurance recoveries, net of rein prem, PMPM			\$355.51	\$536,558,445
Projected ACA reinsurance recoveries, net of rein prem, PMPM			43.90	66,256,690
Projected Incurred Claims			\$311.61	\$470,301,755
Administrative Expense Load		11.42%	44.20	66,708,660
Profit & Risk Load		4.60%	17.81	26,875,229
Taxes & Fees		3.48%	13.49	20,358,460
Single Risk Pool Gross Premium Avg. Rate, PMPM			\$387.11	\$584,244,104
Index Rate for Projection Period			\$528.38	
% increase over Experience Period			-67.68%	
% Increase, annualized:			-43.15%	
Projected Member Months				1,509,264

Information Not Releasable to the Public Unless Authorized by Law: This information has not been publicly disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.

Exhibit W - HMO URRT Experience

HMO Colorado, Inc.
Individual

Product-Plan Data Collection

Company Legal Name:	HMO Colorado, Inc.
HIOS Issuer ID:	76680
Effective Date of Rate Change(s):	1/1/2014

State: CO
Market: Individual

Product/Plan Level Calculations

[illegible]

Section II: Components of Premium Increase (PMPM Dollar Amount above Current Average Rate PMPM)

or Standalone Component ID	Total	7/25/2011 (1)	7/26/2012 (2011)	7/26/2013 (2012)	7/26/2014 (2013)	7/26/2015 (2014)	7/26/2016 (2015)	7/26/2017 (2016)	7/26/2018 (2017)	7/26/2019 (2018)	7/26/2020 (2019)	7/26/2021 (2020)	7/26/2022 (2021)	7/26/2023 (2022)	7/26/2024 (2023)	7/26/2025 (2024)	7/26/2026 (2025)	7/26/2027 (2026)	7/26/2028 (2027)	7/26/2029 (2028)	7/26/2030 (2029)	7/26/2031 (2030)	7/26/2032 (2031)	7/26/2033 (2032)	7/26/2034 (2033)	7/26/2035 (2034)	7/26/2036 (2035)	7/26/2037 (2036)	7/26/2038 (2037)	7/26/2039 (2038)	7/26/2040 (2039)	7/26/2041 (2040)	7/26/2042 (2041)	7/26/2043 (2042)	7/26/2044 (2043)	7/26/2045 (2044)	7/26/2046 (2045)	7/26/2047 (2046)	7/26/2048 (2047)	7/26/2049 (2048)	7/26/2050 (2049)	7/26/2051 (2050)	7/26/2052 (2051)	7/26/2053 (2052)	7/26/2054 (2053)	7/26/2055 (2054)	7/26/2056 (2055)	7/26/2057 (2056)	7/26/2058 (2057)	7/26/2059 (2058)	7/26/2060 (2059)	7/26/2061 (2060)	7/26/2062 (2061)	7/26/2063 (2062)	7/26/2064 (2063)	7/26/2065 (2064)	7/26/2066 (2065)	7/26/2067 (2066)	7/26/2068 (2067)	7/26/2069 (2068)	7/26/2070 (2069)	7/26/2071 (2070)	7/26/2072 (2071)	7/26/2073 (2072)	7/26/2074 (2073)	7/26/2075 (2074)	7/26/2076 (2075)	7/26/2077 (2076)	7/26/2078 (2077)	7/26/2079 (2078)	7/26/2080 (2079)	7/26/2081 (2080)	7/26/2082 (2081)	7/26/2083 (2082)	7/26/2084 (2083)	7/26/2085 (2084)	7/26/2086 (2085)	7/26/2087 (2086)	7/26/2088 (2087)	7/26/2089 (2088)	7/26/2090 (2089)	7/26/2091 (2090)	7/26/2092 (2091)	7/26/2093 (2092)	7/26/2094 (2093)	7/26/2095 (2094)	7/26/2096 (2095)	7/26/2097 (2096)	7/26/2098 (2097)	7/26/2099 (2098)	7/26/2100 (2099)	7/26/2101 (2100)	7/26/2102 (2101)	7/26/2103 (2102)	7/26/2104 (2103)	7/26/2105 (2104)	7/26/2106 (2105)	7/26/2107 (2106)	7/26/2108 (2107)	7/26/2109 (2108)	7/26/2110 (2109)	7/26/2111 (2110)	7/26/2112 (2111)	7/26/2113 (2112)	7/26/2114 (2113)	7/26/2115 (2114)	7/26/2116 (2115)	7/26/2117 (2116)	7/26/2118 (2117)	7/26/2119 (2118)	7/26/2120 (2119)	7/26/2121 (2120)	7/26/2122 (2121)	7/26/2123 (2122)	7/26/2124 (2123)	7/26/2125 (2124)	7/26/2126 (2125)	7/26/2127 (2126)	7/26/2128 (2127)	7/26/2129 (2128)	7/26/2130 (2129)	7/26/2131 (2130)	7/26/2132 (2131)	7/26/2133 (2132)	7/26/2134 (2133)	7/26/2135 (2134)	7/26/2136 (2135)	7/26/2137 (2136)	7/26/2138 (2137)	7/26/2139 (2138)	7/26/2140 (2139)	7/26/2141 (2140)	7/26/2142 (2141)	7/26/2143 (2142)	7/26/2144 (2143)	7/26/2145 (2144)	7/26/2146 (2145)	7/26/2147 (2146)	7/26/2148 (2147)	7/26/2149 (2148)	7/26/2150 (2149)	7/26/2151 (2150)	7/26/2152 (2151)	7/26/2153 (2152)	7/26/2154 (2153)	7/26/2155 (2154)	7/26/2156 (2155)	7/26/2157 (2156)	7/26/2158 (2157)	7/26/2159 (2158)	7/26/2160 (2159)	7/26/2161 (2160)	7/26/2162 (2161)	7/26/2163 (2162)	7/26/2164 (2163)	7/26/2165 (2164)	7/26/2166 (2165)	7/26/2167 (2166)	7/26/2168 (2167)	7/26/2169 (2168)	7/26/2170 (2169)	7/26/2171 (2170)	7/26/2172 (2171)	7/26/2173 (2172)	7/26/2174 (2173)	7/26/2175 (2174)	7/26/2176 (2175)	7/26/2177 (2176)	7/26/2178 (2177)	7/26/2179 (2178)	7/26/2180 (2179)	7/26/2181 (2180)	7/26/2182 (2181)	7/26/2183 (2182)	7/26/2184 (2183)	7/26/2185 (2184)	7/26/2186 (2185)	7/26/2187 (2186)	7/26/2188 (2187)	7/26/2189 (2188)	7/26/2190 (2189)	7/26/2191 (2190)	7/26/2192 (2191)	7/26/2193 (2192)	7/26/2194 (2193)	7/26/2195 (2194)	7/26/2196 (2195)	7/26/2197 (2196)	7/26/2198 (2197)	7/26/2199 (2198)	7/26/2200 (2199)	7/26/2201 (2200)	7/26/2202 (2201)	7/26/2203 (2202)	7/26/2204 (2203)	7/26/2205 (2204)	7/26/2206 (2205)	7/26/2207 (2206)	7/26/2208 (2207)	7/26/2209 (2208)	7/26/2210 (2209)	7/26/2211 (2210)	7/26/2212 (2211)	7/26/2213 (2212)	7/26/2214 (2213)	7/26/2215 (2214)	7/26/2216 (2215)	7/26/2217 (2216)	7/26/2218 (2217)	7/26/2219 (2218)	7/26/2220 (2219)	7/26/2221 (2220)	7/26/2222 (2221)	7/26/2223 (2222)	7/26/2224 (2223)	7/26
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Section III: Experience Period Information

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Section IV: Projected (12 months following effective date)

[illegible]

ACTUARIAL MEMORANDUM

General Information

- Company Identifying Information

Company Legal Name:	HMO Colorado, Inc.
State:	Colorado
HIOS Issuer ID:	76680
Market:	Individual
Effective Date:	January 1, 2014

- Company Contact Information

Primary Contact Name:	Steve Spelshaus
Primary Contact Telephone Number:	(303) 831-2073
Primary Contact Email Address:	Steven.Spelshaus@anthem.com

A. Summary

1. Reason for rate filing: The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA). The rates will be in-force for effective dates on or after January 1, 2014. These rates will apply to plans offered both On-Exchange and Off-Exchange. This rate filing is not intended to be used for other purposes.
2. Requested rate action: Not applicable as this filing is for new products.
3. Marketing method(s): The Non-Grandfathered forms are marketed by Connect for Health Colorado for Colorado's Health Insurance Exchange, and by direct mail, telemarketing, internet, or broker/agents for off Exchange.
4. Premium classification: Premiums at the member level are determined by multiplying the base rate by the applicable factor for each of the allowable rating criteria: age, tobacco, area, and benefit plan. An example of this calculation is shown in Exhibit M - Sample Rate Calculation.
5. Product Descriptions: Filed products provide Inpatient Hospital, Outpatient Hospital, Professional, Other Medical, Capitation, and Prescription Drug coverage for essential health benefits (EHBs). The methodology used to determine these benefit categories, which are found in Worksheet 1, Section II of the Unified Rate Review Template, is as follows:
 - Inpatient Hospital: Includes non-capitated facility services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.

- Outpatient Hospital: Includes non-capitated facility services for surgery, emergency room, lab, radiology, therapy, observation, and other services provided in an outpatient facility setting and billed by the facility.
- Professional: Includes non-capitated primary care, specialist, therapy, the professional component of laboratory and radiology, and other professional services, other than hospital based professionals whose payments are included in facility fees.
- Other Medical: Includes non-capitated ambulance, home health care, DME, prosthetics, supplies, vision exams, dental services, and other services.
- Capitation: Includes all services provided under one or more capitated arrangements.
- Prescription Drug: Includes drugs dispensed by a pharmacy and rebates received from drug manufacturers.

Inconsistencies between Colorado-mandated and Center for Consumer Information and Insurance Oversight (CCIIO) listed EHBs are addressed in Section D. Effect of Law Changes.

6. Policy Form Number(s):	EOC_ENG_HMOCOLORADO_76680CO0220014_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220001_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220002_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220006_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220003_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220004_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220005_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220007_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220008_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220009_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220010_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220011_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220012_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220013_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250015_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250001_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250002_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250006_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250003_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250004_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250005_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250007_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250008_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250009_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250010_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250011_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250012_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250013_20140101
	EOC_ENG_HMOCOLORADO_76680CO0250014_20140101

7. Age Basis: Premiums are charged on a renewal age basis.
8. Renewability Provision: The products are guaranteed renewable.

B. Assumption, Acquisition, or Merger

The products included in the rate filing are not part of an assumption or acquisition of policies from another company.

C. Rating Period

The rating period effective date is January 1, 2014.

D. Effect of Law Changes

The effect on rates, expenses, and medical costs from changes in federal and state regulation is explained in Section I. Complete Explanation as to How Proposed Rates were Determined.

To the best of Anthem's knowledge and current understanding, this filing complies with the most recent regulations and related guidance. Anthem's intention is to fully comply with all applicable laws and guidance; however, the regulatory framework continues to change and evolve rapidly. To the extent relevant rules or guidance on the rules are updated or changed, amendments to this filing may be required.

• Colorado Essential Health Benefits

The following list comprises Colorado-mandated EHBs that do not appear on CCIIO's website for Colorado. Each was mapped to existing benefit categories in the Plan and Benefits Template (PBT), according to the benefit information in the Schedule of Benefits.

- Anesthetics – Outpatient Surgery (PBT row 65), Inpatient Physician Surgical Services (PBT row 78)
- Autism Spectrum Disorders – Outpatient Rehabilitation Services (PBT row 92), Habilitation Services (PBT row 93)
- Breast Reconstructive Surgery – Reconstructive Surgery (PBT row 128)
- Cardiac Rehabilitation – Outpatient Rehabilitation Services (PBT row 92)
- Contraceptive Services – Preventive Care/Screenings/Immunizations (PBT row 98)
- Hearing Exams – Preventive Care/Screenings/Immunizations (PBT row 98)
- Pulmonary Rehabilitation – Outpatient Rehabilitation Services (PBT row 92)
- Smoking Cessation Program – Preventive Care/Screenings/Immunizations (PBT row 98)

Additional information on the methodology used to classify each EHB can be found in the Plan and Benefit Template's Column K - Explanation.

E. Rate History

New product filing; this section is not applicable.

F. Coordination of Benefits

Claims experience can be found in Exhibit B - Claims Experience for Manual Rate Development. The allowed claims do not include coordination of benefits amounts.

G. Relation of Benefits to Premium

Non-Benefit expenses are detailed in Exhibit G - Non-Benefit Expenses and Profit & Risk.

- **Administrative Expense**

Administrative Expense contains both acquisition costs associated with the production of new business through non-broker distribution channels (direct, telesales, etc) as well as maintenance costs associated with ongoing costs for the administration of the business. Acquisition costs are projected using historical cost per member sold amounts applied to future sales estimates. Maintenance costs are assumed to be flat on a per member basis with savings from fixed cost leverage and the elimination of underwriting offset by new expenses for risk management, regulatory compliance and premium reconciliation and balancing.

- **Quality Improvement Expense**

The quality improvement expense represents Anthem's dedication to providing the highest standard of customer care and consistently seeking to improve health care quality, outcomes and value in a cost efficient manner.

- **Selling Expense**

Selling Expense represents broker commissions and bonuses associated with the broker distribution channel using historical and projected commission levels. Commissions will be paid On-Exchange and Off-Exchange.

- **Taxes and Fees**

- **Patient-Centered Outcomes Research Institute (PCORI) Fee:** The PCORI fee is a federally-mandated fee designed to help fund the Patient-Centered Outcomes Research Trust Fund. For plan years ending before October 1, 2014, the fee is \$2 per member per year. Thereafter, for every plan year ending before October 1, 2019, the fee will increase by the percentage increase in National Healthcare Expenditures.
- **Risk Adjustment Fee:** The Risk Adjustment fee is a user fee to support the administration of the HHS operated Risk Adjustment program. The charge is \$1 per enrollee per year.

- ACA Insurer Fee: The health insurance industry will be assessed a permanent fee, based on market share of net premium, which is not tax deductible.
- Exchange Fee: The Exchange User Fee applies to Exchange business only, but the cost is spread across all Individual plans. It is a blended fee based on the assumed percentage of members that will purchase products On-Exchange and Off-Exchange.
- Federal, state, and premium taxes are also included in the retention items.

Retention loads for profit and contingencies and investment income are addressed in Section H. Provision for Profit and Contingencies.

Actual retention components may differ from the original proposed retention due to variation in actual premiums collected and claims or expenses incurred from projected levels. Also, administrative expenses are allocated across Anthem lines of business by membership, which may not recognize the true cost differences among these lines.

H. Provision for Profit and Contingencies

Non-Benefit expenses are detailed in Exhibit G - Non-Benefit Expenses and Profit & Risk.

- Profit

Profit is reflected on a post-tax basis as a percent that does not vary by product or plan.

- Investment Income

Due to expected low, short-term interest rates, investment income from unearned reserves is immaterial to rate development and is excluded from the desired loss ratio.

I. Complete Explanation as to How Proposed Rates were Determined

Consistent with the Department of Health and Human Service's instructions for the Actuarial Memorandum and Certification, this section provides both an overview of the base rate determination (sub-section "Description of How the Base Rate is Determined") and a detailed description of rate development (sub-section "Credibility Manual Rate Development"). Index rate development is discussed in Section R. Unified Rate Review Template Index Rate.

Description of How the Base Rate is Determined

- In 2014, the Individual market is expected to behave more similarly to the current Small Group market, due primarily to guaranteed issue provisions and the removal of medical underwriting, than to the historical Individual market. Therefore, the manual rates are developed based on Small Group Grandfathered and Non-Grandfathered experience.

- The experience data is normalized to reflect anticipated changes in age/gender, area/network and benefit plan from the experience period to the projection period based on expected distribution of membership.
- The projected claims cost is calculated by adjusting the normalized claims for the impact of benefit changes, population morbidity, trend factors, other cost of care impacts and other claim adjustments.
- The projection period is January 1, 2014 - December 31, 2014.
- Adjustments for risk adjustment and reinsurance are applied to the projected claims cost.
- Non-benefit expenses, profit, and risk are applied to the projected claims cost to determine the required projection period premium.
- The average rating factors in the projection period are applied to the projection period premium to determine the base rate.
- The base rate represents an average benefit plan and area for an age 21 non-tobacco user in Colorado.

Credibility Manual Rate Development

Experience developed and projected herein is Anthem's Small Group Business based on plan liability amounts. The rate development is shown in Exhibit A - Base Rate Development.

• Source and Appropriateness of Experience Data Used

Anthem is using its Small Group experience to develop the manual rates.

The source data underlying the development of the manual rate consists of claims for all Grandfathered and Non-Grandfathered Small Group business, incurred during the period November 1, 2011 – October 31, 2012 and paid through December 31, 2012. Completion factors are then calculated to reflect additional months of runout after December 31, 2012. Anthem expects a large portion of the Grandfathered policyholders to migrate to ACA-compliant policies prior to and during the projection period.

Experience is adjusted as follows:

- Claims incurred for members who live out-of-state were excluded; however, claims incurred by in-state members traveling out-of-state were included.

For more detail, see Exhibit B - Claims Experience for Manual Rate Development.

• Adjustments Made to the Data

The development of the projected claims is summarized in Exhibit A - Base Rate Development, items (1) - (10), and described in detail below.

The projected claims cost is calculated by multiplying the normalized claims cost by the impact of benefit changes, anticipated changes in population morbidity, and cost of care impacts. The adjustments are described below, and the factors are presented in Exhibit D - Projection Period Adjustments.

Changes in Demographics (Normalization)

The source data was normalized to reflect anticipated changes in age/gender, area/network and benefit plan from the experience period to the projection period. The purpose of these factors is to adjust current experience to be reflective of expected claim experience in the projection period. See Section U. Membership Projections for additional information on membership movement. The normalization factors and their aggregate impact on the underlying experience data are detailed in Exhibit C - Normalization Factors.

- **Age/Gender:** The assumed claims cost is applied by age and gender to the experience period distribution and the projection period distribution.
- **Area/Network:** The area claims factors are developed based on an analysis of Small Group and Individual allowed claims by network, mapped to the prescribed 2014 rating areas using 5-digit zip code.
- **Benefit Plan:** The experience period claims are normalized to an average 2014 plan using benefit relativities. The benefit relativities include the value of cost shares and anticipated changes in utilization due to the difference in average cost share requirements.

Changes in Benefits

Benefit changes include the following:

- **Preventive Rx (over the counter):** The claims are adjusted for 100% coverage of benefits for specific over the counter drugs obtained with a prescription from a physician.
- **Rx Adjustments:** The claims are adjusted for differences in the Rx formulary, network, mandatory mail order programs, coverage for preventive prescription drugs previously sold over-the-counter, and impacts for moving drugs into different tiers in the projection period relative to what is reflected in the base experience data.

Changes in the Morbidity of the Population Insured

Morbidity changes include the following:

- **Higher morbidity expected from individual-level purchasing decisions in 2014:** Anthem assumes that the morbidity of the smallest groups, sizes 1 – 5 members, relative to the total small group population are a reasonable approximation for the health status of the individual market. Relative morbidity by group size is based on health status determined from internal risk score data.

- Higher morbidity of the uninsured compared to the insured population: This adjustment is based on a CDC study on the health status and life styles of both currently insured and uninsured populations. This adjustment also considers the expected number of previously uninsured individuals expected to move into the Individual market in 2014.
- Pent-up demand: As previously uninsured individuals obtain insurance in 2014, Anthem expects them to have some pent-up demand for health care services. An adjustment is needed to account for this additional utilization of health care services in year one. Previously uninsured individuals are assumed to utilize more health care services due to pent-up demand. Currently insured members are assumed to have no pent-up demand for health care services in year one.
- Morbidity of Non-Grandfathered compared to Grandfathered members: The base period experience includes Grandfathered and Non-Grandfathered members. The experience is adjusted to account for the different morbidity between Grandfathered and Non-Grandfathered members to derive a Non-Grandfathered only rate.
- Impact of selection due to renewal timing changes: All individuals have the option to change renewal date to December 2013 and remain on their current product until they renew again in 2014. The individuals experiencing rate increases in 2014 are more likely to elect to move renewal date.

Trend Factors

- The annual pricing trend used in the development of the rates is 10.1%. The trend is based on projected cost and utilization trends by place of service, including anticipated changes in provider contracts. Normalization adjustments are made for persistent business, age/gender, and large claims. Trend also includes an estimate for leveraging. The claims are trended 26 months from the midpoint of the experience period, which is May 1, 2012, to the midpoint of the projection period, which is July 1, 2014.

Other Cost of Care Impacts

- Induced Demand Due to Cost Share Reductions: Individuals below 200% Federal Poverty Level who enroll in silver plans On-Exchange will be eligible for cost share reductions. As a result, the base period experience is adjusted to account for the higher anticipated utilization levels.
- Grace Period: The base period experience is adjusted upward to account for some incidence of enrollees not paying premiums due during the first month of the 90-day grace period when the QHP is liable for paying claims. Anthem is assuming a 15% rate of premium non-payment on one-twelfth of the annual premium due for 60% of the Individual population (those eligible for Advance Payments of a Premium Tax Credit). The amount of premium at risk is only on the portion that Anthem does not receive via direct subsidy, estimated to be about 50%. These assumptions result in an upward adjustment to the base rate of 0.375% ($0.15 \times 0.60 \times 50\% \times 1/12 = 0.00375$).

Other Claim Adjustments

The adjustments described below are presented in Exhibit E - Other Claim Adjustments.

- Rx Rebates: The projected claims cost is adjusted to reflect anticipated Rx rebates. These projections take into account the most up-to-date information regarding anticipated rebate contracts, drug prices, anticipated price inflation, and upcoming patent expirations.
- The cost of adding benefits for pediatric dental and vision are included.

- **Capitation Payments**

The underlying data includes capitation payments, which are combined with the base medical and pharmacy claims and projected at the same rate. No further adjustment is made to the capitation.

J. Trend

The proposed trend is based on projected cost and utilization trends by place of service, including the expected changes in provider reimbursement rates. Medical Trend is split into three categories; contractual, utilization, and other. The other category consists of changes in the mix of services provided, medical cost shifting, and new medical procedures and technology. Insurance trend represents the effects of deductible leveraging. Exhibits T and U detail the trend assumptions.

K. Credibility

The experience in Worksheet 1, Section III of the Unified Rate Review Template does not reasonably reflect Individual claims experience under the future market conditions. Anthem believes that Small Group experience is more representative of the future projection period. Actuarial judgment has been exercised to determine that rates will be developed giving full credibility to the data underlying the manual rate in Section I. Complete Explanation as to How Proposed Rates were Determined.

- **Resulting Credibility Level Assigned to Base Period Experience**

The credibility level assigned to the experience in Worksheet 1, Section III of the Unified Rate Review Template is 0%.

Full credibility is assigned to the Small Group data shown in Exhibits B - Claims Experience for Manual Rate Development and S - Data Requirements. This data meets the Colorado full credibility requirements for membership and claims counts.

L. Data Requirements

Experience shown in Worksheet 1, Section I of the Unified Rate Review Template is for the Colorado Individual Single Risk Pool Non-Grandfathered Business. This experience, addressed in Section Q. Unified Rate Review Template Experience, is deemed not credible and therefore is not used for development of manual rates. The manual rates are fully detailed in Section I. Complete Explanation as to How Proposed Rates were Determined. Experience underlying rate development is provided in Exhibit B - Claims Experience for Manual Rate Development.

Small group experience for the last three years can be found in Exhibit S - Data Requirements. Claim counts represent the total number of approved or paid claims by incurred month, regardless of the amount paid by Anthem on the claim. Claim counts do not include incurred but not reported (IBNR) claims.

M. Side by Side Comparison

New product filing; this section is not applicable.

N. Benefits Ratio Projections

The projected benefits ratio is illustrated in Exhibit A. Base Rate Development. The determination of claims and premiums comprising this ratio is detailed in Section I. Complete Explanation as to How Proposed Rates were Determined.

- **Federal MLR Projection**

The projected Federal MLR for the products in this filing is estimated in Exhibit N - Federal MLR Estimated Calculation. Please note that this calculation is purely an estimate and not meant to be a true measure for Federal or State MLR rebate purposes. The products in this filing represent only a subset of Anthem's Individual business. The MLR for Anthem's entire book of Individual business will be compared to the minimum Federal benchmark for purposes of determining regulation-related premium refunds. Also note that the projected Federal MLR presented here does not capture all adjustments, including but not limited to third party margins, three-year averaging, credibility, dual option, and deductible. Anthem's projected MLR is expected to meet or exceed the minimum MLR standards at the market level after including all adjustments.

- **Projected Risk Adjustment**

The Risk Adjustment program transfers funds from lower risk plans to higher risk plans in the Non-Grandfathered Individual and Small Group market. At this time, Anthem is assuming the risk for the plans in this filing are no better or worse than other plans in the market, resulting in no estimated risk transfer value as shown in Exhibit F - Risk Adjustment and Reinsurance - Contributions and Payments.

- **Projected ACA Reinsurance Recoveries Net of Reinsurance Premium**

The transitional reinsurance risk mitigation program collects funds from all insurance issuers and TPAs and redistributes them to high cost claimants in the Non-Grandfathered Individual market. The reinsurance contribution is equal to the national per capita reinsurance contribution rate as shown in Exhibit F - Risk Adjustment and Reinsurance - Contributions and Payments.

The reinsurance payment is developed using projected paid claims, claim probability distribution, and reinsurance payment guidelines. The claim probability distribution observes claims between \$60K and \$250K using a claim probability distribution that reflects the anticipated claim cost distribution of the 2014 Individual market. Expected paid claims are calculated for an assumed average On-Exchange plan design. Reinsurance payments are allocated proportionally by plan premiums to all plans in the risk pool.

O. Other Factors

The required premium in the projection period is adjusted to reflect the average age, tobacco, area, and benefit plan rating factors to develop the rating period base rate. The average factors are shown in Exhibit H - Average 2014 Rating Factors and applied in line item 14 of Exhibit A - Base Rate Development.

- **Benefit Plan Factors**

Refer to Exhibit I - Non-Grandfathered Benefit Plan Factors.

- **Age and Tobacco Factors**

Refer to Exhibit J - Age Factors.

Refer to Exhibit K - Tobacco Factors.

- **Area Factors**

Refer to Exhibit L - Area Factors.

All rating factors were developed in accordance with PPACA Rate Filing Procedures for Colorado, as of May 7, 2013, and supplementary guidance provided by the Division of Insurance. Area factors were developed according to benefits, age, large claims and morbidity normalized per-member costs, combined with differences in expected 2014 contractual savings by rating area.

P. Rating Manuals

A rating manual is attached to Rate/Rule Schedule tab in SERFF. It provides the base rate and all rating factors associated with products in this filing.

Q. Unified Rate Review Template Experience

Because the HIOS ID assigned to the HMO Colorado, Inc. legal entity is actually an ID for Rocky Mountain Hospital And Medical Service, Inc. (Anthem's PPO legal entity), experience for HMO Colorado, Inc. must be excluded from the URRT in order for the file to be verified and approved upon submission. Exhibit W - HMO URRT Experience displays the information that would appear in Worksheet 1 and the terminated products column of Worksheet 2 of the URRT provided HMO Colorado, Inc. was assigned a unique HIOS ID. References to URRT experience data in this memorandum are consistent with the information in Exhibit W.

Claims experience in Worksheet 1, Section I of the Unified Rate Review Template reflects dates of service from January 1, 2012 through December 31, 2012.

- Paid Through Date

Claims shown in Worksheet 1, Section I of the Unified Rate Review Template are paid through December 31, 2012.

- Allowed and Incurred Claims Incurred During the Experience Period

The allowed claims are determined by subtracting non-covered benefits, provider discounts, and coordination of benefits amounts from the billed amount.

Allowed and incurred claims are completed using the chain ladder method, an industry standard, by using historic paid vs. incurred claims patterns. The method calculates historic completion percentages, representing the percent of claims paid for a particular month after one month of run out, two months, etc., for a forty-eight month view of history. Claim backlog files are reviewed on a monthly basis and are accounted for in the historical completion factor estimates.

- Premiums (net of MLR Rebate) in Experience Period

The estimated Non-Grandfathered gross earned premium for Colorado Individual is \$433,557, where earned premium is the pro-rata share of premium owed to Anthem due to subscribers actively purchasing insurance coverage during the experience period.

The preliminary MLR Rebate estimate is \$0, which is consistent with the 12/31/2012 Anthem general ledger estimate allocated to the Non-Grandfathered portion of Individual. Note that this is an estimate and will not be final until 6/1/2013.

R. Unified Rate Review Template Index Rate

- Experience Period Index Rate

The index rate represents the average allowed claims of essential health benefits for HMO Colorado, Inc.'s Individual Non-Grandfathered Business. The experience period index rate shown in Worksheet 1, Section I (cell G17) of the Unified Rate Review Template is \$1540.74 and is the same as the experience period allowed claims (cell G16 in same location). A comparison to the benchmark was performed, and only essential health benefits were covered during the experience period.

- **Projection Period Index Rate**

The index rate represents the average allowed claims PMPM of essential health benefits for HMO Colorado, Inc.'s Individual Non-Grandfathered Business. The projection period index rate was developed as shown in Exhibit O - Projected Index Rate Development by adjusting the projected incurred claims PMPM described in Section I. Complete Explanation as to How Proposed Rates were Determined of this memorandum. No benefits in excess of the essential health benefits are included in the projection period allowed claims (cell T30 of Worksheet 1, Section II of the Unified Rate Review Template) and Exhibit O's projection period index rate (also shown in cell V44 of Worksheet 1, Section III of the Unified Rate Review Template). To calculate the required premium, the projection period index rate is adjusted only by the adjustments allowed per Market Reform and Payment Parameters Regulations. This development is presented in Exhibit P - Development of Required Premium from Index Rate.

S. Actuarial Value Metal Values

The Actuarial Value (AV) Metal Values included in Worksheet 2 of the Unified Rate Review Template are based on the AV Calculator. To the extent a component of the benefit design was not accommodated by an available input within the AV Calculator, the benefit characteristic was adjusted to be actuarially-equivalent to an available input within the AV Calculator for purposes of utilizing the AV Calculator as the basis for the AV Metal Values. Benefits for Plans that are not compatible with the parameters of the AV Calculator have been separately identified and documented in the Unique Plan Design Supporting Documentation and Justification that supports the Plan & Benefits Template.

T. Actuarial Value Pricing Values

The Actuarial Value (AV) Pricing Values for each Product ID are in Worksheet 2, Section I of the Unified Rate Review Template. The fixed reference plan selected as the basis for the AV Pricing Value calculations is '76680CO0220007'. Utilization adjustments are made to account for member behavior variations, depending on the richness of the benefit design and not the health status of the member. The average allowable modifiers to the Index Rate can be found in Exhibit P - Development of Required Premium from Index Rate.

U. Membership Projections

Membership projections are developed using a population movement model and adjustments for sales expectations. This model projects the membership in the projection period by taking into account:

- Uninsured to Individual as a result of guaranteed issue, subsidized coverage, and individual mandate
- Small Group to Individual as a result of guaranteed issue and rate disruptions due to the transition to Modified Community Rating
- High Risk Pools to Individual as a result of guaranteed issue
- Individual and Uninsured to Medicaid as a result of expanded Medicaid eligibility

The plan distribution is based on assumed metal tier and network distributions.

Refer to Exhibit D - Projection Period Adjustments for the projected morbidity changes from population movement

Cost share reduction subsidies will be available on silver level plans. Anthem ran projections to estimate enrollment by income level in each of the plans. Projected enrollment by plan and subsidy level can be found in Exhibit R - Membership Projections for Cost-Sharing Reductions.

V. Terminated Products

Non ACA-compliant plans will no longer be offered to new enrollees effective January 1, 2014 but will remain in effect in 2014 until enrollees renew onto ACA-compliant plans. The list of non ACA-compliant terminated plans with their corresponding HIOS products are shown in Exhibit Q - Terminated Products.

Actuarial Certification

I, Michael Polakowski, FSA, MAAA, am an actuary for Anthem. I am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. I hereby certify that the following statements are true to the best of my knowledge with regards to this filing:

(1) The projected Index Rate is:

- In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)),
- Developed in compliance with the applicable Actuarial Standards of Practice
- Reasonable in relation to the benefits provided and the population anticipated to be covered
- Not excessive, inadequate, or unfairly discriminatory.

(2) The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.

(3) The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV is calculated in accordance with actuarial standards of practice.

(4) The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans.

The Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. Rather it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of Qualified Health Plans for Federally-Facilitated Exchanges, and for certification that the Index Rate is developed in accordance with Federal regulation, used consistently, and only adjusted by the allowable modifiers. However, this Actuarial Memo does accurately describe the process used by the issuer to develop the rates.



Michael Polakowski, FSA, MAAA
Regional Vice President and Actuary III

May 14, 2013
Date

Exhibit A - Base Rate Development

Effective January 1, 2014

HMO Colorado, Inc.
Individual

	<u>Paid Claims</u>	
1) Experience Period Cost PMPM	\$ 295.75	Exhibit B
2) <u>x Normalization Factor</u>	<u>0.9127</u>	Exhibit C
3) = Normalized Claims	\$ 269.93	= (1) x (2)
4) x Benefit Changes	0.9187	Exhibit D
5) x Morbidity Changes	1.1498	Exhibit D
6) x Trend Factor	1.2327	Exhibit D
7) <u>x Other Cost of Care Impacts</u>	<u>1.0179</u>	Exhibit D
8) = Projected Claim Cost	\$ 357.77	= (3) x (4) x (5) x (6) x (7)
9) + Other Claim Impacts	(\$2.26)	Exhibit E
10) = Claims Projected to Projection Period	\$ 355.51	= (8) + (9)
11) + Risk Mitigation - Contributions and Payments	(\$43.90)	Exhibit F
12) <u>+ Selling Expense, Administration and Other Retention Items</u>	<u>\$75.50</u>	Exhibit G
13) = Required Premium in Projection Period	\$ 387.11	= (10) + (11) + (12)
14) <u>÷ Average Rating Factors in Projection Period</u>	<u>1.4676</u>	Exhibit H
15) = Base Rate (Average Plan-Level - Age 21 - Non-Tobacco)	\$ 263.77	= (13) ÷ (14)
16) Projected Loss Ratio (Conventional Basis)	80.5%	= [(10) + (11)] ÷ (13)

Exhibit B - Claims Experience for Manual Rate Development

**HMO Colorado, Inc.
Individual**

Incurred November 1, 2011 through October 31, 2012

Paid through December 31, 2012

PPO, HMO, Traditional and Anthem Essential Small Group In-Area Business:

PAID CLAIMS:										
Incurred and Paid Claims:		IBNR:		Fully Incurred Claims:			Total	Member	Total	
Medical	Drug	Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM	
\$ 159,653,348	\$ 32,011,952	\$ 3,329,087	\$ 19,523	\$ 162,982,435	\$ 32,031,475	\$ 9,223	\$ 195,023,133	659,410	\$	295.75

ALLOWED CLAIMS:										
Incurred and Paid Claims:		IBNR:		Fully Incurred Claims:			Total	Member	Total	
Medical	Drug	Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM	
\$ 207,578,978	\$ 47,239,957	\$ 4,189,722	\$ 27,206	\$ 211,768,700	\$ 47,267,163	\$ 9,223	\$ 259,045,086	659,410	\$	392.84

Exhibit C - Normalization Factors

HMO Colorado, Inc.
Individual

Experience Period: November 1, 2011 through October 31, 2012

Normalize to population expected in 2014

Average claim factors based on future population as compared to experience period population:

	Average Claim Factors		Normalization
	Experience Period Population	Future Population	Factor
Age/Gender	1.0240	1.0570	1.0322
Area/Network	0.9891	0.8957	0.9056
Benefit Plan	0.8983	0.8771	0.9764
Total	0.9098	0.8304	0.9127

Exhibit D - Projection Period Adjustments

HMO Colorado, Inc. Individual

Impact of Changes Between Experience Period and Projection Period:

	<u>Adjustment Factor</u>
<u>Benefit changes</u>	
Preventive Rx (over the counter)	1.0006
Eliminate Pre-Ex	1.0000
<u>Rx Adjustments {1}</u>	<u>0.9181</u>
Total Benefit Changes	0.9187
<u>Morbidity changes</u>	
Total Morbidity Changes	1.1498
<u>Cost of care impacts</u>	
Annual Medical/Rx Trend Rate	10.1%
# Months of Projection	26
Trend Factor	1.2327
Induced Demand for Cost Share Reductions	1.0140
Grace Period	1.0038

NOTES:

{1} Adjusted for differences in the Rx formulary, network, mandatory mail order programs, and impacts for moving drugs into different tiers in the projection period relative to what is reflected in the base experience data.

Exhibit E - Other Claim Adjustments

HMO Colorado, Inc.
Individual

<i>Adjustments to projection period claims to reflect covered benefits not included in experience period data:</i>	
	<u>PMPM</u>
Rx Rebates	(\$2.52)
Pediatric Dental	\$0.14
Pediatric Vision	\$0.12
<u>Additional Non-EHBs {1}</u>	<u>\$0.00</u>
Total	(\$2.26)

NOTES:

{1} The 'Additional Non-EHBs' adjustment above reflects ONLY additional costs beyond those already captured in line Item 8 of Exhibit A.

Exhibit F - Risk Adjustment and Reinsurance - Contributions and Payments

HMO Colorado, Inc.
Individual
Effective January 1, 2014

<u>Risk Adjustment:</u>		
Description	Transfers funds from lowest risk plans to highest risk plans	
Participants	Non-Grandfathered Individual and Small Group plans (inside and outside Exchange) are eligible	
PMPM	Net Transfer	
Federal Program	\$0.00	
	<u>Note:</u>	It is assumed the risk for the plans included in this rate filing is no better/worse than any other plans within this market.

<u>Reinsurance:</u>		
Description	Provides funding to plans that enroll highest cost individuals	
Participants	All insurance issuers and TPAs contribute funds	
	Non-Grandfathered Individual plans (inside and outside Exchange) are eligible for payments	
PMPM	Contributions Made	Expected Payments
Federal Program	\$5.25	(\$49.15)
		<i>Small Group Plans contribute funds but only Individual Plans are eligible to receive payments</i>
	<u>Source:</u>	HHS estimates a national per capita contribution rate of \$5.25 per month (\$63 per year) in benefit year 2014 and \$3.50 per month (\$42 per year) in 2015 (per Payment Parameter Rule).

Grand Total of All Risk Mitigation Programs		(\$43.90)
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Exhibit G - Non-Benefit Expenses and Profit & Risk

HMO Colorado, Inc. Individual

	<u>\$ PMPM</u>	<u>% Premium</u>
	Proposed effective January 1, 2014	Proposed effective January 1, 2014
Admin Expense	\$32.20	8.3%
Quality Improvement Expense	\$3.23	0.83%
Broker Commission	\$12.00	3.1%
After-Tax Provision for Profit & Contingencies	\$11.09	2.9%
Premium Tax	\$0.00	0.0%
Federal Income Tax	\$6.23	1.6%
State Income Tax	\$0.49	0.1%
Investment Income	\$3.87	1.0%
ACA-related Fees	\$13.49	3.5%
PCORI Fee	\$0.17	0.04%
Risk Adjustment User Fee	\$0.08	0.02%
ACA Insurer Fee	\$9.99	2.58%
Exchange User Fee	\$3.25	0.84%
Total Retention		20.5%
Desired Loss Ratio {1}		80.5%

{1} Desired Loss Ratio excludes investment income.

Exhibit H - Average 2014 Rating Factors

HMO Colorado, Inc.
Individual

Effective January 1, 2014

<i>Average 2014 rating factors for 2014 population:</i>	
	Average Rating Factor
Age/Tobacco	1.4676
Area/Benefit Plan	1.0000
Total	1.4676

NOTES:

The developed base rate is reduced by the overall average rating factor shown above.
See Line Item 14 on Exhibit A.

Exhibit I - Non-Grandfathered Benefit Plan Factors

HMO Colorado, Inc.
Individual
Effective January 1, 2014

On-Exchange Plans:		
<u>Metal Level</u>	<u>HIOS Standard Component Plan ID</u>	<u>Plan Factor</u>
Catastrophic	76680CO0220014	0.6936
Bronze	76680CO0220001	0.8742
	76680CO0220002	0.8139
	76680CO0220006	0.8355
	76680CO0220003	0.8172
	76680CO0220004	0.9371
	76680CO0220005	0.8165
Silver	76680CO0220007	1.0725
	76680CO0220008	1.1114
	76680CO0220009	1.0018
	76680CO0220010	1.0958
	76680CO0220011	1.0929
Gold	76680CO0220012	1.3735
	76680CO0220013	1.3951
Platinum		

Off-Exchange Plans:		
<u>Metal Level</u>	<u>HIOS Standard Component Plan ID</u>	<u>Plan Factor</u>
Catastrophic	76680CO0250015	0.6936
Bronze	76680CO0250001	0.8742
	76680CO0250002	0.8139
	76680CO0250006	0.8355
	76680CO0250003	0.8172
	76680CO0250004	0.9371
	76680CO0250005	0.8165
Silver	76680CO0250007	1.0725
	76680CO0250008	1.1114
	76680CO0250009	1.0018
	76680CO0250010	1.0958
	76680CO0250011	1.0929
	76680CO0250012	1.0882
Gold	76680CO0250013	1.3735
	76680CO0250014	1.3951
Platinum		

NOTES:

Benefit Plan Factors above reflect plan by plan differences from the index rate for allowable adjustments as described in detail in the Market Reform and Payment Parameters Regulations and illustrated in Exhibit P. The weighted average of these adjustments for the entire risk pool included in this rate filing is detailed in Exhibit H.

Exhibit J - Age Factors

HMO Colorado, Inc.
Individual
Effective January 1, 2014

Age	Rating Factor
0-20	0.635
21-24	1.000
25	1.004
26	1.024
27	1.048
28	1.087
29	1.119
30	1.135
31	1.159
32	1.183
33	1.198
34	1.214
35	1.222
36	1.230
37	1.238
38	1.246
39	1.262
40	1.278
41	1.302
42	1.325
43	1.357
44	1.397
45	1.444
46	1.500
47	1.563
48	1.635
49	1.706
50	1.786
51	1.865
52	1.952
53	2.040
54	2.135
55	2.230
56	2.333
57	2.437
58	2.548
59	2.603
60	2.714
61	2.810
62	2.873
63	2.952
64+	3.000

Exhibit K - Tobacco Factors

HMO Colorado, Inc.
Individual

Effective January 1, 2014

Age	Rating Factor
0-20	1.0000
21+	1.1000

Exhibit L - Area Factors

HMO Colorado, Inc.

Individual

Effective January 1, 2014

Rating Area Description	Rating Factor
1 - Boulder MSA	0.9268
2 - Colorado Springs MSA	0.8875
3 - Denver MSA	0.9467
4 - Fort Collins MSA	0.9984
5 - Grand Junction MSA	1.0633
6 - Greeley PMSA	1.0608
7 - Pueblo MSA	1.0507
8 - SE Non-MSA	1.0450
9 - NE Non-MSA	1.3290
10 - West Non-MSA	1.1935
11 - Resort Non-MSA	1.4693

Exhibit M - Sample Rate Calculation

HMO Colorado, Inc. Individual

Name: John Doe
Effective Date: 1/1/2014
On/Off Exchange: On
Metal Level: Silver
Plan: 76680CO0220007
Rating Area: 1 - Boulder MSA

Family Members Covered:

	<u>Age</u>	<u>Smoker?</u>
Subscriber	40	N
Spouse	42	N
Child (age 21+)	25	Y
Child #1	20	N
Child #2	16	N

Calculation of Monthly Premium:

Base Rate =	\$	263.77	Exhibit A
x Benefit Plan Factor		1.0725	Exhibit I
<u>x Area Factor</u>		<u>0.9268</u>	Exhibit L
Base Rate Adjusted for Plan/Area =	\$	262.17	

Age/Tobacco Factors:

Exhibit J and Exhibit K

	<u>Age Factor</u>	<u>Tobacco Factor</u>
Subscriber	1.278	1.00
Spouse	1.325	1.00
Child (age 21+)	1.004	1.10
Child #1	0.635	1.00
Child #2	0.635	1.00

Final Monthly Premium PMPM:

	<u>PMPM</u>
Subscriber	\$ 335.05
Spouse	\$ 347.38
Child (age 21+)	\$ 289.54
Child #1	\$ 166.48
Child #2	\$ 166.48
TOTAL	\$ 1,304.93

NOTES:

{1} As per the Market Reform Rule, when computing family premiums no more than the three oldest covered children under the age of 21 are taken into account whereas the premiums associated with each child age 21+ are included.

{2} Minor rate variances may occur due to differences in rounding methodology.

Exhibit N - Federal MLR Estimated Calculation

HMO Colorado, Inc. Individual

Numerator:

Incurred Claims	\$355.51	Exhibit A
+ Quality Improvement Expense	\$3.23	Exhibit G
+ Risk Corridor Contributions	\$0.00	
+ Risk Adjustment Contributions	\$0.00	Exhibit F
- Reinsurance Receipts	\$49.15	Exhibit F
- Risk Corridor Receipts:	\$0.00	
- Risk Adjustment Receipts:	<u>\$0.00</u>	Exhibit F
= <i>Estimated</i> Federal MLR Numerator	\$309.59	

Denominator:

Premiums	\$387.11	Exhibit A
- Federal and State Taxes	\$6.72	Exhibit G
- Premium Taxes	\$0.00	Exhibit G
- Reinsurance Contributions	\$5.25	Exhibit F
- <u>Licensing and Regulatory Fees</u>	<u>\$13.49</u>	Exhibit G
= <i>Estimated</i> Federal MLR Denominator	\$361.65	

***Estimated* Federal MLR** **85.60%**

NOTES:

The above calculation is purely an estimate and not meant to be compared to the minimum MLR benchmark for federal/state MLR rebate purposes:

- 1) The above calculation represents only the products in this filing. Federal MLR will be calculated at the legal entity and market level.
- 2) Not all numerator/denominator components are captured above (for example, third party vendors excess reimbursement, fraud and prevention program costs, payroll taxes, assessments for state high risk pools etc.).
- 3) Other adjustments may also be applied within the federal MLR calculation such as 3-year averaging, new business, credibility, deductible and dual option. These are ignored in the above calculation.
- 4) Licensing and Regulatory Fees include ACA-related fees as allowed under the MLR Final Rule

Exhibit O - Projected Index Rate Development

Effective January 1, 2014

HMO Colorado, Inc.
Individual

1) Projected Paid Claim Cost	\$	357.77	Exhibit A, Line Item 8
2) <u>- Non-EHBs Embedded in Line Item 1) Above</u>		<u>\$0.00</u>	Exhibit E (see footnote in Exhibit E)
3) = Projected Paid Claims, Excluding ALL Non-EHBs	\$	357.77	
4) + Rx Rebates		(\$2.52)	Exhibit E
5) <u>+ Additional EHBs {1}</u>		<u>\$0.26</u>	Exhibit E
6) = Projected Paid Claims Reflecting <i>only</i> EHBs	\$	355.51	
7) <u>÷ Paid to Allowed Ratio</u>		<u>0.6728</u>	
8) = Projected Allowed Claims Reflecting <i>only</i> EHBs		\$528.38	= Index Rate

NOTES:

{1} Pediatric Dental and Pediatric Vision

Exhibit P - Development of Required Premium from Index Rate

Effective January 1, 2014

HMO Colorado, Inc. Individual

	<u>Weighted Average for Risk Pool</u>	
1) Index Rate	\$528.38	Exhibit O
2) <u>x Paid to Allowed Ratio</u>	<u>0.6728</u>	Exhibit O
3) = Projected Paid Claims Reflecting <i>only</i> EHBs	\$355.51	
<u>Allowable Index Rate Adjustments {1} {2}:</u>		
4) x Benefit Adjustments	1.0000	
5) + Non-EHBs	\$0.00	Exhibit E and Exhibit O
6) x Catastrophic Adjustment	1.0000	
7) x Network Adjustment	1.0000	
8) + Risk Mitigation - Contributions and Payments	(\$43.90)	Exhibit F
9) <u>+ Selling Expense, Administration and Other Retention Items</u>	<u>\$75.50</u>	Exhibit G (also see Exhibit A, Line item 12)
10) = Required Premium in Projection Period	\$387.11	Ties to Exhibit A, Line item 13

NOTES:

- {1} Allowable adjustments to the index rate as made above are in accordance with the Market Reform and Payment Parameters Regulations.
- {2} The above illustrates the allowable adjustments to the average single risk pool index rate as included in this rate filing. These adjustments may vary on a plan by plan basis and such variances are captured in the benefit plan factors as summarized in Exhibit I.
- {3} Plan-level rates are obtained by multiplying the base rate as shown in line item 15 of Exhibit A by the benefit plan factors illustrated in Exhibit I. Further allowable adjustments (age, tobacco and area) are applied to arrive at final premium rates.

Exhibit Q - Terminated Products

HMO Colorado, Inc.
Individual

Following are the products that will be terminated prior to the effective date:

This includes products that have experience included in the URRT during the experience period and any products that were not in effect during the experience period but were made available thereafter.

Plan ID	Plan Name	HIOS Product ID	HIOS Product Name
068U	CO Group Conversion HMO Basic	87269CO103	Conversion HMO
068V	CO Group Conversion HMO Standard	87269CO103	Conversion HMO
06T0	CUSTOM PLUS COVERAGE	87269CO103	Conversion HMO
0AEE	GROUP CONVERSION HMO STANDARD	87269CO103	Conversion HMO
0AEH	GROUP CONVERSION HMO BASIC	87269CO103	Conversion HMO
0AEP	CUSTOM PLUS COVERAGE	87269CO103	Conversion HMO

Exhibit R - Membership Projections for Cost-Sharing Reductions

**HMO Colorado, Inc.
Individual**

Silver Plan		Projected Membership by Subsidy Level:			
<u>HIOS Standard Component Plan ID</u>	<u>100-150%</u>	<u>150%-200%</u>	<u>200%-250%</u>	<u>Standard</u>	
76680CO0220007	14	88	20		74
76680CO0220010	59	378	84		320
76680CO0220011	1,776	11,419	2,538		9,643

Exhibit S - Data Requirements

HMO Colorado, Inc. Individual

EXPERIENCE SUMMARY - SMALL GROUP HMO AND PPO COMBINED

YearMo	Contracts	Members	Premium	Incurred & Paid Claims			Incurred & Paid Claim Counts			Estimated Incurred Claims			Capitation	Loss Ratio	Rolling 12 Loss Ratio
				Medical	Rx	Total	Medical	Rx	Total	Medical (\$)	Rx (\$)	Total (\$)			
201001	38,288	66,297	23,253,278	18,032,797	1,956,607	19,989,404	48,013	64,980	112,993	18,032,797	1,956,607	19,989,404	3,152	86.0%	
201002	38,063	65,884	23,193,208	13,015,464	2,099,924	15,115,389	46,665	61,858	108,523	13,015,464	2,099,924	15,115,389	3,088	65.2%	
201003	37,916	65,653	23,160,679	14,942,557	2,663,208	17,605,766	52,130	69,836	121,966	14,942,557	2,663,208	17,605,766	3,029	76.0%	
201004	37,650	65,204	23,107,913	14,618,211	2,698,784	17,316,995	50,600	66,102	116,702	14,618,211	2,698,784	17,316,995	3,066	75.0%	
201005	37,137	64,267	22,894,631	14,173,958	2,775,659	16,949,617	46,419	63,922	110,341	14,173,958	2,775,659	16,949,617	3,022	74.0%	
201006	36,911	63,924	22,871,784	15,513,368	3,015,685	18,529,052	49,266	65,564	114,830	15,513,368	3,015,685	18,529,052	3,054	81.0%	
201007	36,643	63,467	22,824,074	13,581,459	2,940,218	16,521,677	46,340	62,600	108,940	13,581,459	2,940,218	16,521,677	2,903	72.4%	
201008	36,294	62,853	22,724,959	16,563,584	3,214,027	19,777,611	49,254	70,026	119,280	16,563,584	3,214,027	19,777,611	2,941	87.0%	
201009	35,812	62,137	22,585,471	15,996,373	2,884,840	18,881,214	47,046	55,026	102,072	15,996,373	2,884,840	18,881,214	2,894	83.6%	
201010	35,845	62,194	22,667,073	16,718,069	2,971,152	19,689,221	49,941	56,167	106,108	16,718,069	2,971,152	19,689,221	2,747	86.9%	
201011	35,664	61,945	22,732,814	16,822,238	3,285,443	20,107,681	49,376	56,181	105,557	16,822,238	3,285,443	20,107,681	2,487	88.5%	
201012	35,847	62,018	23,142,533	17,529,678	3,695,998	21,225,676	50,584	59,815	110,399	17,529,678	3,695,998	21,225,676	2,424	91.7%	80.6%
201101	34,384	59,428	22,344,588	11,535,820	1,862,699	13,398,519	44,626	52,230	96,856	11,535,820	1,862,699	13,398,519	2,241	60.0%	78.5%
201102	33,926	58,592	22,112,144	13,068,248	1,936,399	15,004,648	42,583	48,835	91,418	13,068,248	1,936,399	15,004,648	2,216	67.9%	78.7%
201103	33,501	57,908	21,920,678	13,514,246	2,577,813	16,092,059	47,179	54,115	101,294	13,514,246	2,577,813	16,092,059	2,251	73.4%	78.5%
201104	33,029	57,131	21,745,297	13,999,602	2,455,365	16,454,967	43,794	49,991	93,785	13,999,602	2,455,365	16,454,967	2,052	75.7%	78.6%
201105	32,554	56,427	21,522,218	14,872,041	2,602,625	17,474,666	43,423	50,489	93,912	14,872,041	2,602,625	17,474,666	1,926	81.2%	79.2%
201106	32,241	55,878	21,392,943	15,707,960	2,857,188	18,565,147	43,591	49,196	92,787	15,709,495	2,857,188	18,566,682	1,050	86.8%	79.6%
201107	31,994	55,533	21,275,307	12,654,872	2,708,101	15,362,973	39,971	47,399	87,370	12,656,114	2,708,101	15,364,214	991	72.2%	79.7%
201108	31,659	55,095	21,135,876	15,083,385	3,059,479	18,142,865	45,596	49,989	95,585	15,084,865	3,059,479	18,144,344	787	85.8%	79.5%
201109	31,538	54,842	21,072,217	12,251,156	3,114,593	15,365,748	41,811	48,578	90,389	12,252,362	3,114,593	15,366,954	781	72.9%	78.7%
201110	31,481	54,729	20,979,955	13,836,799	3,092,232	16,929,031	42,689	50,156	92,845	13,839,535	3,092,232	16,931,767	800	80.7%	78.1%
201111	31,449	54,677	20,948,080	14,629,960	3,175,452	17,805,412	42,520	48,969	91,489	14,637,143	3,175,452	17,812,596	731	85.0%	77.8%
201112	31,575	54,812	20,921,061	16,318,985	3,394,195	19,713,180	42,218	51,942	94,160	16,330,324	3,394,526	19,724,850	1,265	94.3%	77.8%
201201	31,558	54,683	20,671,420	10,366,989	1,876,815	12,243,804	40,995	44,983	85,978	10,381,069	1,876,996	12,258,065	1,258	59.3%	77.9%
201202	31,493	54,489	20,595,077	11,989,124	2,100,663	14,089,787	39,969	43,758	83,727	12,016,293	2,100,864	14,117,158	1,255	68.6%	78.0%
201203	31,516	54,526	20,601,642	12,027,687	2,388,017	14,415,703	41,361	47,339	88,700	12,258,687	2,388,471	14,647,157	658	71.1%	77.9%
201204	31,468	54,482	20,495,519	12,113,899	2,467,942	14,581,841	39,317	44,233	83,550	12,186,546	2,468,419	14,654,964	665	71.5%	77.5%
201205	31,706	55,170	20,722,154	12,487,034	2,717,062	15,204,097	40,746	46,269	87,015	12,591,159	2,717,854	15,309,013	649	73.9%	76.9%
201206	31,593	54,953	20,693,827	14,207,656	2,444,489	16,652,145	37,898	43,698	81,596	14,507,693	2,445,429	16,953,122	602	81.9%	76.5%
201207	31,713	55,274	20,798,641	12,305,719	2,681,238	14,986,957	37,992	45,313	83,305	12,526,816	2,682,536	15,209,352	600	73.1%	76.6%
201208	31,745	55,440	20,813,270	14,593,791	2,957,894	17,551,686	42,091	46,573	88,664	15,001,434	2,959,896	17,961,330	592	86.3%	76.6%
201209	31,861	55,552	20,821,220	13,710,966	2,707,590	16,418,556	36,872	44,331	81,203	14,272,141	2,711,797	16,983,938	589	81.6%	77.3%
201210	31,888	55,352	20,754,385	14,901,538	3,100,594	18,002,133	43,897	50,595	94,492	16,273,131	3,109,235	19,382,366	360	93.4%	78.4%
201211	32,062	55,645	20,869,606	12,418,996	2,974,606	15,393,602	38,898	48,563	87,461	14,962,313	3,018,612	17,980,925	358	86.2%	78.5%
201212	32,110	55,733	20,923,427	6,085,507	2,319,226	8,404,733	24,063	36,376	60,439	16,291,257	3,148,433	19,439,690	558	92.9%	78.4%

Exhibit S - Data Requirements

HMO Colorado, Inc. Individual

EXPERIENCE SUMMARY - GRANDFATHERED - SMALL GROUP HMO AND PPO COMBINED

YearMo	Contracts	Members	Premium	Incurred & Paid Claims			Incurred & Paid Claim Counts			Estimated Incurred Claims			Capitation	Loss Ratio	Rolling 12 Loss Ratio
				Medical	Rx	Total	Medical	Rx	Total	Medical (\$)	Rx (\$)	Total (\$)			
201001	37,690	65,307	22,776,893	14,138,142	1,801,377	15,939,519	46,797	63,172	109,969	14,138,142	1,801,377	15,939,519	3,054	70.0%	
201002	37,477	64,913	22,717,023	12,747,918	1,940,080	14,687,998	45,594	60,120	105,714	12,747,918	1,940,080	14,687,998	3,000	64.7%	
201003	37,328	64,690	22,681,420	14,656,047	2,487,459	17,143,506	50,922	67,943	118,865	14,656,047	2,487,459	17,143,506	2,941	75.6%	
201004	37,076	64,266	22,637,315	14,265,403	2,538,790	16,804,194	49,447	64,332	113,779	14,265,403	2,538,790	16,804,194	2,987	74.2%	
201005	36,584	63,350	22,432,955	13,870,398	2,631,752	16,502,150	45,425	62,372	107,797	13,870,398	2,631,752	16,502,150	2,945	73.6%	
201006	36,364	63,011	22,407,494	14,969,454	2,875,367	17,844,821	48,056	63,791	111,847	14,969,454	2,875,367	17,844,821	2,962	79.7%	
201007	35,808	62,017	22,137,807	13,281,532	2,773,146	16,054,677	44,999	60,296	105,295	13,281,532	2,773,146	16,054,677	2,814	72.5%	
201008	35,106	60,831	21,810,105	16,016,735	2,992,436	19,009,171	47,338	67,003	114,341	16,016,735	2,992,436	19,009,171	2,853	87.2%	
201009	34,347	59,661	21,473,264	15,503,419	2,657,107	18,160,525	44,920	52,103	97,023	15,503,419	2,657,107	18,160,525	2,805	84.6%	
201010	33,586	58,377	21,077,524	15,902,952	2,704,285	18,607,237	46,907	52,417	99,324	15,902,952	2,704,285	18,607,237	2,657	88.3%	
201011	32,175	55,989	20,381,545	15,681,921	2,922,059	18,603,980	44,878	50,689	95,567	15,681,921	2,922,059	18,603,980	2,388	91.3%	
201012	30,418	52,856	19,608,470	15,568,413	3,197,242	18,765,655	44,072	51,117	95,189	15,568,413	3,197,242	18,765,655	2,317	95.7%	79.4%
201101	27,530	47,663	17,960,947	9,495,869	1,411,877	10,907,747	36,005	41,511	77,516	9,495,869	1,411,877	10,907,747	2,124	60.7%	78.9%
201102	26,791	46,337	17,550,994	10,666,219	1,471,857	12,138,075	33,896	38,308	72,204	10,666,219	1,471,857	12,138,075	2,087	69.2%	79.5%
201103	25,970	44,941	17,111,919	10,821,808	1,944,203	12,766,011	36,883	41,790	78,673	10,821,808	1,944,203	12,766,011	2,083	74.6%	79.6%
201104	24,577	42,568	16,289,520	10,754,498	1,778,438	12,532,936	32,642	36,971	69,613	10,754,498	1,778,438	12,532,936	1,893	77.0%	79.9%
201105	23,152	40,257	15,470,229	11,445,763	1,840,042	13,285,805	30,986	35,721	66,707	11,445,763	1,840,042	13,285,805	1,722	85.9%	80.9%
201106	21,640	37,672	14,573,258	11,258,586	1,912,030	13,170,616	30,030	32,595	62,625	11,259,686	1,912,030	13,171,716	939	90.4%	81.6%
201107	20,525	35,914	13,912,504	9,104,553	1,784,498	10,889,052	26,545	30,395	56,940	9,105,443	1,784,498	10,889,941	850	78.3%	82.3%
201108	19,327	33,991	13,226,768	10,173,622	1,991,473	12,165,096	28,682	30,615	59,297	10,174,620	1,991,473	12,166,093	659	92.0%	82.4%
201109	18,259	32,175	12,576,339	7,682,424	1,874,396	9,556,820	25,205	28,330	53,535	7,683,177	1,874,396	9,557,573	622	76.0%	81.8%
201110	17,458	30,902	12,108,285	9,049,715	1,863,771	10,913,486	25,086	28,451	53,537	9,051,500	1,863,771	10,915,271	638	90.2%	81.6%
201111	16,428	29,271	11,529,376	8,542,948	1,825,816	10,368,765	23,690	26,397	50,087	8,547,123	1,825,816	10,372,939	592	90.0%	81.1%
201112	14,534	25,932	10,322,145	8,336,495	1,834,005	10,170,501	21,011	25,376	46,387	8,342,266	1,834,183	10,176,449	854	98.6%	80.5%
201201	13,091	23,127	9,247,711	4,440,924	894,529	5,335,453	18,320	19,930	38,250	4,446,882	894,615	5,341,497	818	57.8%	81.3%
201202	12,740	22,435	8,991,551	5,593,306	985,443	6,578,749	16,908	18,652	35,560	5,605,947	985,536	6,591,483	809	73.3%	82.2%
201203	12,404	21,833	8,798,556	5,806,071	1,077,285	6,883,356	17,501	19,987	37,488	5,916,038	1,077,483	6,993,520	438	79.5%	83.0%
201204	12,023	21,161	8,516,064	5,613,608	1,061,140	6,674,748	16,002	18,099	34,101	5,646,758	1,061,342	6,708,100	435	78.8%	83.4%
201205	11,985	21,330	8,553,242	5,341,636	1,151,667	6,493,303	16,795	18,633	35,428	5,385,868	1,151,998	6,537,866	422	76.4%	82.7%
201206	11,379	20,194	8,112,768	5,086,263	1,029,084	6,115,347	14,633	16,815	31,448	5,192,865	1,029,471	6,222,336	350	76.7%	81.4%
201207	10,540	18,631	7,519,315	4,220,928	1,100,003	5,320,930	13,471	16,208	29,679	4,295,925	1,100,529	5,396,454	344	71.8%	81.2%
201208	10,027	17,671	7,118,758	5,241,978	1,044,711	6,286,689	14,144	15,603	29,747	5,388,179	1,045,401	6,433,580	241	90.4%	80.5%
201209	9,912	17,443	7,036,427	4,969,650	973,286	5,942,937	12,045	14,922	26,967	5,172,379	974,764	6,147,143	238	87.4%	81.4%
201210	9,624	16,917	6,864,606	4,996,811	1,064,983	6,061,795	14,098	16,254	30,352	5,455,338	1,067,957	6,523,295	153	95.0%	81.3%
201211	9,310	16,339	6,684,959	4,495,207	1,032,970	5,528,177	12,514	15,199	27,713	5,416,511	1,047,404	6,463,915	144	96.7%	81.4%
201212	8,692	15,265	6,369,101	1,967,373	683,391	2,650,763	7,382	10,651	18,033	5,260,648	927,953	6,188,601	210	97.2%	80.5%

Exhibit S - Data Requirements

HMO Colorado, Inc. Individual

EXPERIENCE SUMMARY - NON-GRANDFATHERED - SMALL GROUP HMO AND PPO COMBINED

YearMo	Contracts	Members	Premium	Incurred & Paid Claims			Incurred & Paid Claim Counts			Estimated Incurred Claims			Capitation	Loss Ratio	Rolling 12 Loss Ratio
				Medical	Rx	Total	Medical	Rx	Total	Medical (\$)	Rx (\$)	Total (\$)			
201001	598	990	476,385	3,894,655	155,230	4,049,885	1,216	1,808	3,024	3,894,655	155,230	4,049,885	98	850.1%	
201002	586	971	476,185	267,546	159,844	427,391	1,071	1,738	2,809	267,546	159,844	427,391	88	89.8%	
201003	588	963	479,258	286,510	175,750	462,260	1,208	1,893	3,101	286,510	175,750	462,260	88	96.5%	
201004	574	938	470,597	352,807	159,994	512,801	1,153	1,770	2,923	352,807	159,994	512,801	79	109.0%	
201005	553	917	461,676	303,560	143,907	447,467	994	1,550	2,544	303,560	143,907	447,467	77	96.9%	
201006	547	913	464,289	543,914	140,318	684,231	1,210	1,773	2,983	543,914	140,318	684,231	92	147.4%	
201007	835	1,450	686,267	299,927	167,072	466,999	1,341	2,304	3,645	299,927	167,072	466,999	89	68.1%	
201008	1,188	2,022	914,855	546,849	221,591	768,440	1,916	3,023	4,939	546,849	221,591	768,440	88	84.0%	
201009	1,465	2,476	1,112,208	492,955	227,734	720,688	2,126	2,923	5,049	492,955	227,734	720,688	89	64.8%	
201010	2,259	3,817	1,589,549	815,117	266,867	1,081,984	3,034	3,750	6,784	815,117	266,867	1,081,984	90	68.1%	
201011	3,489	5,955	2,351,269	1,140,317	363,385	1,503,702	4,498	5,492	9,990	1,140,317	363,385	1,503,702	99	64.0%	
201012	5,428	9,162	3,534,063	1,961,265	498,756	2,460,021	6,512	8,698	15,210	1,961,265	498,756	2,460,021	107	69.6%	104.4%
201101	6,854	11,765	4,383,641	2,039,951	450,822	2,490,773	8,621	10,719	19,340	2,039,951	450,822	2,490,773	117	56.8%	71.1%
201102	7,135	12,255	4,561,149	2,402,030	464,543	2,866,572	8,687	10,527	19,214	2,402,030	464,543	2,866,572	129	62.9%	68.9%
201103	7,531	12,967	4,808,759	2,692,439	633,610	3,326,048	10,296	12,325	22,621	2,692,439	633,610	3,326,048	167	69.2%	68.4%
201104	8,452	14,564	5,455,777	3,245,104	676,928	3,922,031	11,152	13,020	24,172	3,245,104	676,928	3,922,031	158	71.9%	68.4%
201105	9,403	16,170	6,051,990	3,426,278	762,584	4,188,861	12,437	14,768	27,205	3,426,278	762,584	4,188,861	205	69.2%	68.2%
201106	10,601	18,206	6,819,686	4,449,374	945,157	5,394,531	13,561	16,601	30,162	4,449,809	945,157	5,394,966	111	79.1%	69.1%
201107	11,469	19,619	7,362,804	3,550,319	923,602	4,473,921	13,426	17,004	30,430	3,550,671	923,602	4,474,273	141	60.8%	67.8%
201108	12,332	21,104	7,909,108	4,909,763	1,068,006	5,977,769	16,914	19,374	36,288	4,910,245	1,068,006	5,978,251	128	75.6%	68.7%
201109	13,279	22,667	8,495,879	4,568,732	1,240,197	5,808,928	16,606	20,248	36,854	4,569,185	1,240,197	5,809,382	159	68.4%	68.7%
201110	14,023	23,828	8,871,669	4,787,084	1,228,461	6,015,546	17,603	21,705	39,308	4,788,035	1,228,461	6,016,496	162	67.8%	68.6%
201111	15,022	25,406	9,418,704	6,087,011	1,349,636	7,436,647	18,830	22,572	41,402	6,090,021	1,349,636	7,439,657	138	79.0%	70.0%
201112	17,041	28,880	10,598,916	7,982,490	1,560,190	9,542,680	21,207	26,566	47,773	7,988,057	1,560,343	9,548,400	411	90.1%	72.5%
201201	18,467	31,556	11,423,709	5,926,065	982,285	6,908,351	22,675	25,053	47,728	5,934,188	982,381	6,916,568	440	60.5%	71.8%
201202	18,753	32,053	11,603,526	6,395,817	1,115,221	7,511,038	23,061	25,106	48,167	6,410,346	1,115,329	7,525,675	446	64.9%	71.4%
201203	19,112	32,693	11,803,087	6,221,616	1,310,732	7,532,348	23,860	27,352	51,212	6,342,649	1,310,988	7,653,637	220	64.8%	70.8%
201204	19,445	33,321	11,979,455	6,500,292	1,406,801	7,907,093	23,315	26,134	49,449	6,539,787	1,407,077	7,946,864	230	66.3%	70.2%
201205	19,721	33,840	12,168,912	7,145,399	1,565,395	8,710,794	23,951	27,636	51,587	7,205,291	1,565,856	8,771,147	227	72.1%	70.5%
201206	20,215	34,759	12,581,059	9,121,393	1,415,405	10,536,798	23,265	26,883	50,148	9,314,828	1,415,958	10,730,786	252	85.3%	71.5%
201207	21,173	36,643	13,279,325	8,084,791	1,581,235	9,666,026	24,521	29,105	53,626	8,230,890	1,582,008	9,812,898	256	73.9%	72.4%
201208	21,717	37,770	13,694,512	9,351,813	1,913,184	11,264,997	27,947	30,970	58,917	9,613,255	1,914,495	11,527,750	352	84.2%	73.4%
201209	21,949	38,108	13,784,794	8,741,315	1,734,304	10,475,619	24,827	29,409	54,236	9,099,762	1,737,033	10,836,795	351	78.6%	74.2%
201210	22,264	38,434	13,889,779	9,904,727	2,035,611	11,940,338	29,799	34,341	64,140	10,817,793	2,041,278	12,859,071	208	92.6%	76.3%
201211	22,752	39,306	14,184,647	7,923,789	1,941,637	9,865,425	26,384	33,364	59,748	9,545,802	1,971,208	11,517,010	214	81.2%	76.6%
201212	23,419	40,467	14,554,326	4,118,134	1,635,835	5,753,969	16,681	25,725	42,406	11,030,609	2,220,479	13,251,088	348	91.0%	77.0%

Exhibit S - Data Requirements

HMO Colorado, Inc. Individual

THREE-YEAR EXPERIENCE HISTORY - SMALL GROUP HMO AND PPO COMBINED - Medical and Pharmacy combined

Time Period	Gross									
	Earned Premium	Incurred and Paid Cost of Care (*)	Outstanding Claim Liability	Fully Incurred Claims	Gross Margin	Loss Ratio (*)	Claim Counts	Contract Months	Member Months	Average Member Months
2010	275,158,417	221,709,303	(0)	221,744,108	53,414,309	80.6%	1,337,711	442,067	765,842	63,820
2011	257,370,363	200,309,216	27,051	200,353,357	57,017,006	77.8%	1,121,890	389,331	675,052	56,254
2012	248,760,187	177,945,043	16,952,037	194,905,223	53,854,964	78.4%	1,006,130	380,714	661,298	55,108
Experience Period: Nov 2011 - Oct 2012	248,836,295	191,665,300	3,348,610	195,023,133	53,813,162	78.4%	1,043,879	379,566	659,410	54,951
Time Period	Per Member Per Month									
	Earned Premium	Incurred and Paid Cost of Care (*)	Outstanding Claim Liability	Fully Incurred Claims	Gross Margin	Loss Ratio (*)	Claim Counts	Contract Months	Member Months	Average Member Months
2010	359.29	289.50	(0.00)	289.54	69.75	80.6%	1.75	442,067	765,842	63,820
2011	381.26	296.73	0.04	296.80	84.46	77.8%	1.66	389,331	675,052	56,254
2012	376.17	269.08	25.63	294.73	81.44	78.4%	1.52	380,714	661,298	55,108
Experience Period: Nov 2011 - Oct 2012	377.36	290.66	5.08	295.75	81.61	78.4%	1.58	379,566	659,410	54,951

NOTES:

(*) Claim payments through December 31, 2012

Exhibit S - Data Requirements

HMO Colorado, Inc. Individual

THREE-YEAR EXPERIENCE HISTORY - SMALL GROUP HMO AND PPO COMBINED - Pharmacy Only

Time Period	Gross									
	Earned Premium	Incurred and Paid Cost of Care (*)	Outstanding Claim Liability	Fully Incurred Claims	Gross Margin	Loss Ratio (**)	Claim Counts	Contract Months	Member Months	Average Member Months
2010	275,158,417	34,201,545	-	34,201,545	240,956,871	12.4%	752,077	442,067	765,842	63,820
2011	257,370,363	32,836,142	331	32,836,473	224,533,890	12.8%	601,889	389,331	675,052	56,254
2012	248,760,187	30,736,136	892,405	31,628,541	217,131,646	12.7%	542,031	380,714	661,298	55,108
Experience Period: Nov 2011 - Oct 2012	248,836,295	32,011,952	19,523	32,031,475	216,804,820	12.9%	558,003	379,566	659,410	54,951
Time Period	Per Member Per Month									
	Earned Premium	Incurred and Paid Cost of Care (*)	Outstanding Claim Liability	Fully Incurred Claims	Gross Margin	Loss Ratio (**)	Claim Counts	Contract Months	Member Months	Average Member Months
2010	359.29	44.66	-	44.66	314.63	12.4%	0.98	442,067	765,842	63,820
2011	381.26	48.64	0.00	48.64	332.62	12.8%	0.89	389,331	675,052	56,254
2012	376.17	46.48	1.35	47.83	328.34	12.7%	0.82	380,714	661,298	55,108
Experience Period: Nov 2011 - Oct 2012	377.36	48.55	0.03	48.58	328.79	12.9%	0.85	379,566	659,410	54,951

NOTES:

(*) Claim payments through December 31, 2012

(**) Premium includes medical and pharmacy.

Exhibit T - Trend Exhibit

HMO Colorado, Inc.
Individual

Cost and Utilization Trend Assumptions

Proposed Trends Effective Jan 1, 2014					
Category	Medical Trend			Insurance	Total
	Contractual	Utilization	Other	Trend	
Inpatient Hospital	4.7%	0.3%	4.8%	0.5%	10.6%
Outpatient Hospital	4.8%	2.6%	3.5%	0.5%	11.9%
Physician	3.7%	0.6%	2.6%	0.5%	7.6%
Prescription Drug	6.1%	0.5%	2.0%	2.5%	11.4%
Total Proposed Trend					10.1%
Proposed Medical Trend					9.9%
Proposed Prescription Drug Trend					11.4%

Exhibit T - Trend Exhibit

HMO Colorado, Inc.
Individual

Trend Detail

Non-normalized Paid Claims, without IBNR
All Business
HMO Large Group

Date	Members	Monthly Paid Pharmacy Claims	Monthly Paid Rx Claims PMPM	Monthly Paid Medical Claims	Monthly Paid Medical Claims PMPM	Monthly Paid Total Claims	Monthly Paid Total Claims PMPM
200701	40,005	1,294,381	\$32.36	7,615,394	\$190.36	8,909,775	\$222.72
200702	39,885	1,200,801	\$30.11	6,728,885	\$168.71	7,929,687	\$198.81
200703	40,519	1,319,085	\$32.55	8,215,239	\$202.75	9,534,324	\$235.31
200704	40,840	1,338,438	\$32.77	7,971,148	\$195.18	9,309,585	\$227.95
200705	40,833	1,382,058	\$33.85	8,500,031	\$208.16	9,882,089	\$242.01
200706	40,932	1,339,889	\$32.73	7,786,934	\$190.24	9,126,823	\$222.97
200707	41,361	1,233,266	\$29.82	7,682,340	\$185.74	8,915,606	\$215.56
200708	41,735	1,447,282	\$34.68	7,685,986	\$184.16	9,133,268	\$218.84
200709	42,109	1,254,369	\$29.79	7,274,704	\$172.76	8,529,073	\$202.55
200710	42,079	1,452,713	\$34.52	8,266,975	\$196.46	9,719,688	\$230.99
200711	42,112	1,405,511	\$33.38	7,527,251	\$178.74	8,932,763	\$212.12
200712	42,408	1,412,947	\$33.32	7,121,645	\$167.93	8,534,592	\$201.25
200801	43,070	1,544,393	\$35.86	10,005,115	\$232.30	11,549,508	\$268.15
200802	42,789	1,501,551	\$35.09	8,901,477	\$208.03	10,403,028	\$243.13
200803	42,395	1,516,249	\$35.76	8,963,751	\$211.43	10,480,000	\$247.20
200804	42,310	1,555,708	\$36.77	8,839,059	\$208.91	10,394,767	\$245.68
200805	42,139	1,581,159	\$37.52	8,175,578	\$194.02	9,756,737	\$231.54
200806	41,967	1,540,485	\$36.71	9,851,679	\$234.75	11,392,163	\$271.45
200807	40,448	1,506,255	\$37.24	8,725,594	\$215.73	10,231,849	\$252.96
200808	40,437	1,415,951	\$35.02	7,663,245	\$189.51	9,079,196	\$224.53
200809	39,854	1,467,765	\$36.83	8,169,532	\$204.99	9,637,297	\$241.81
200810	39,984	1,476,354	\$36.92	9,212,335	\$230.40	10,688,689	\$267.32
200811	39,752	1,374,737	\$34.58	8,718,545	\$219.32	10,093,281	\$253.91
200812	39,146	1,627,468	\$41.57	8,464,769	\$216.24	10,092,238	\$257.81
200901	39,332	1,570,864	\$39.94	8,271,012	\$210.29	9,841,876	\$250.23
200902	39,379	1,452,582	\$36.89	8,331,886	\$211.58	9,784,468	\$248.47
200903	38,897	1,685,368	\$43.33	10,538,310	\$270.93	12,223,678	\$314.26
200904	38,206	1,600,560	\$41.89	8,795,470	\$230.21	10,396,030	\$272.10
200905	38,293	1,536,451	\$40.12	8,257,729	\$215.65	9,794,180	\$255.77
200906	38,342	1,558,795	\$40.65	9,391,493	\$244.94	10,950,288	\$285.59
200907	37,077	1,587,168	\$42.81	8,707,293	\$234.85	10,294,461	\$277.65
200908	37,161	1,549,872	\$41.71	8,764,897	\$235.87	10,314,769	\$277.57
200909	37,361	1,561,333	\$41.79	9,288,997	\$248.63	10,850,330	\$290.42
200910	36,995	1,629,806	\$44.05	8,285,244	\$223.95	9,915,050	\$268.01
200911	36,813	1,514,735	\$41.15	8,538,995	\$231.96	10,053,730	\$273.11
200912	37,259	1,677,892	\$45.03	8,625,031	\$231.49	10,302,923	\$276.52
201001	34,773	1,342,857	\$38.62	8,988,447	\$258.49	10,331,303	\$297.11
201002	34,663	1,327,682	\$38.30	7,822,098	\$225.66	9,149,780	\$263.96
201003	34,522	1,502,661	\$43.53	9,668,461	\$280.07	11,171,122	\$323.60
201004	33,167	1,377,797	\$41.54	7,525,513	\$226.90	8,903,310	\$268.44
201005	33,151	1,399,051	\$42.20	7,791,502	\$235.03	9,190,552	\$277.24
201006	32,808	1,406,659	\$42.88	7,853,666	\$239.38	9,260,325	\$282.26
201007	33,237	1,443,194	\$43.42	7,673,384	\$230.87	9,116,578	\$274.29
201008	32,804	1,493,203	\$45.52	8,363,212	\$254.95	9,856,415	\$300.46
201009	32,484	1,372,223	\$42.24	8,041,886	\$247.56	9,414,109	\$289.81
201010	31,924	1,358,724	\$42.56	8,529,512	\$267.18	9,888,236	\$309.75
201011	31,952	1,406,734	\$44.03	7,755,268	\$242.72	9,162,002	\$286.75
201012	32,000	1,499,683	\$46.86	8,349,363	\$260.91	9,849,046	\$307.78
201101	30,028	1,378,045	\$45.89	7,763,439	\$258.54	9,141,484	\$304.43
201102	29,666	1,307,657	\$44.08	6,753,642	\$227.65	8,061,299	\$271.73
201103	29,146	1,482,523	\$50.87	8,262,699	\$283.49	9,745,222	\$334.36
201104	28,502	1,395,526	\$48.96	7,129,085	\$250.12	8,524,611	\$299.08
201105	28,389	1,413,164	\$49.78	7,974,322	\$280.89	9,387,486	\$330.67
201106	28,304	1,480,460	\$52.31	8,190,028	\$289.36	9,670,488	\$341.67
201107	28,255	1,369,697	\$48.48	7,602,867	\$269.08	8,972,564	\$317.56
201108	28,496	1,495,179	\$52.47	8,205,408	\$287.95	9,700,586	\$340.42
201109	28,443	1,418,088	\$49.86	8,287,670	\$291.37	9,705,758	\$341.23
201110	28,068	1,346,723	\$47.98	6,743,310	\$240.25	8,090,032	\$288.23
201111	28,138	1,423,002	\$50.57	6,977,200	\$247.97	8,400,203	\$298.54
201112	27,971	1,478,074	\$52.84	6,983,263	\$249.66	8,461,337	\$302.51
201201	25,656	1,321,641	\$51.51	6,785,363	\$264.47	8,107,005	\$315.99
201202	25,487	1,309,065	\$51.36	6,546,587	\$256.86	7,855,652	\$308.22
201203	25,360	1,412,026	\$55.68	6,273,436	\$247.37	7,685,463	\$303.05
201204	25,244	1,266,120	\$50.16	6,572,510	\$260.36	7,838,630	\$310.51
201205	24,927	1,269,523	\$50.93	6,675,009	\$267.79	7,944,532	\$318.72
201206	25,029	1,262,466	\$50.44	7,974,835	\$318.62	9,237,301	\$369.06
201207	24,850	1,263,059	\$50.83	7,133,511	\$287.06	8,396,570	\$337.89
201208	24,563	1,255,112	\$51.10	6,887,205	\$280.39	8,142,317	\$331.49
201209	24,717	1,162,838	\$47.05	5,757,118	\$232.92	6,919,957	\$279.97
201210	24,507	1,300,733	\$53.08	6,402,797	\$261.27	7,703,530	\$314.35
201211	23,940	1,195,058	\$49.92	5,818,870	\$243.06	7,013,928	\$292.98
201212	24,115	1,198,715	\$49.71	6,300,583	\$261.28	7,499,298	\$310.98

Exhibit T - Trend Exhibit

HMO Colorado, Inc.
Individual

Trend Detail

Non-normalized Paid Claims, with IBNR
All Business
HMO Large Group

Date	Members	Monthly Paid Pharmacy Claims	Monthly Paid Rx Claims PMPM	Monthly Paid Medical Claims	Monthly Paid Medical Claims PMPM	Monthly Paid Total Claims	Monthly Paid Total Claims PMPM	Rolling 12 Pharmacy PMPM	Rolling 12 Medical PMPM	Rolling 12 Combined PMPM	Rolling 12 Pharmacy Trend	Rolling 12 Medical Trend	Rolling 12 Combined Trend
200701	40,005	1,294,381	\$32.36	7,615,394	\$190.36	8,909,775	\$222.72						
200702	39,885	1,200,801	\$30.11	6,728,885	\$168.71	7,929,687	\$198.81						
200703	40,519	1,319,085	\$32.55	8,215,239	\$202.75	9,534,324	\$235.31						
200704	40,840	1,338,438	\$32.77	7,971,148	\$195.18	9,309,585	\$227.95						
200705	40,833	1,382,058	\$33.85	8,500,031	\$208.16	9,882,089	\$242.01						
200706	40,932	1,339,889	\$32.73	7,786,934	\$190.24	9,126,823	\$222.97						
200707	41,361	1,233,266	\$29.82	7,682,340	\$185.74	8,915,606	\$215.56						
200708	41,735	1,447,282	\$34.68	7,685,986	\$184.16	9,133,268	\$218.84						
200709	42,109	1,254,369	\$29.79	7,274,704	\$172.76	8,529,073	\$202.55						
200710	42,079	1,452,713	\$34.52	8,266,975	\$196.46	9,719,688	\$230.99						
200711	42,112	1,405,511	\$33.38	7,527,251	\$178.74	8,932,763	\$212.12						
200712	42,408	1,412,947	\$33.32	7,121,645	\$167.93	8,534,592	\$201.25	\$32.50	\$186.69	\$219.19			
200801	43,070	1,544,393	\$35.86	10,005,115	\$232.30	11,549,508	\$268.15	\$32.80	\$190.34	\$223.14			
200802	42,789	1,501,551	\$35.09	8,901,477	\$208.03	10,403,028	\$243.13	\$33.21	\$193.57	\$226.78			
200803	42,395	1,516,249	\$35.76	8,963,751	\$211.43	10,480,000	\$247.20	\$33.48	\$194.34	\$227.82			
200804	42,310	1,555,708	\$36.77	8,839,059	\$208.91	10,394,767	\$245.68	\$33.81	\$195.49	\$229.31			
200805	42,139	1,581,159	\$37.52	8,175,578	\$194.02	9,756,737	\$231.54	\$34.12	\$194.35	\$228.47			
200806	41,967	1,540,485	\$36.71	9,851,679	\$234.75	11,392,163	\$271.45	\$34.45	\$198.03	\$232.47			
200807	40,448	1,506,255	\$37.24	8,725,594	\$215.73	10,231,849	\$252.96	\$35.05	\$200.45	\$235.50			
200808	40,437	1,415,951	\$35.02	7,663,245	\$189.51	9,079,196	\$224.53	\$35.08	\$200.92	\$235.99			
200809	39,854	1,467,765	\$36.83	8,169,532	\$204.99	9,637,297	\$241.81	\$35.66	\$203.60	\$239.26			
200810	39,984	1,476,354	\$36.92	9,212,335	\$230.40	10,688,689	\$267.32	\$35.85	\$206.35	\$242.20			
200811	39,752	1,374,737	\$34.58	8,718,545	\$219.32	10,093,281	\$253.91	\$35.96	\$209.72	\$245.68			
200812	39,146	1,627,468	\$41.57	8,464,769	\$216.24	10,092,238	\$257.81	\$36.63	\$213.82	\$250.46	12.7%	14.5%	14.3%
200901	39,332	1,570,864	\$39.94	8,271,012	\$210.29	9,841,876	\$250.23	\$36.97	\$211.92	\$248.89	12.7%	11.3%	11.5%
200902	39,379	1,452,582	\$36.89	8,331,886	\$211.58	9,784,468	\$248.47	\$37.13	\$212.23	\$249.36	11.8%	9.6%	10.0%
200903	38,897	1,685,368	\$43.33	10,538,310	\$270.93	12,223,678	\$314.26	\$37.74	\$217.02	\$254.77	12.7%	11.7%	11.8%
200904	38,206	1,600,560	\$41.89	8,795,470	\$230.21	10,396,030	\$272.10	\$38.16	\$218.79	\$256.95	12.9%	11.9%	12.1%
200905	38,293	1,536,451	\$40.12	8,257,729	\$215.65	9,794,180	\$255.77	\$38.38	\$220.73	\$259.11	12.5%	13.6%	13.4%
200906	38,342	1,558,795	\$40.65	9,391,493	\$244.94	10,950,288	\$285.59	\$38.71	\$221.45	\$260.16	12.4%	11.8%	11.9%
200907	37,077	1,587,168	\$42.81	8,707,293	\$234.85	10,294,461	\$277.65	\$39.16	\$223.00	\$262.16	11.7%	11.3%	11.3%
200908	37,161	1,549,872	\$41.71	8,764,897	\$235.87	10,314,769	\$277.57	\$39.72	\$226.94	\$266.66	13.3%	13.0%	13.0%
200909	37,361	1,561,333	\$41.79	9,288,997	\$248.63	10,850,330	\$290.42	\$40.14	\$230.58	\$270.72	12.6%	13.2%	13.1%
200910	36,995	1,629,806	\$44.05	8,285,244	\$223.95	9,915,050	\$268.01	\$40.73	\$230.06	\$270.80	13.6%	11.5%	11.8%
200911	36,813	1,514,735	\$41.15	8,538,995	\$231.96	10,053,730	\$273.11	\$41.30	\$231.15	\$272.45	14.8%	10.2%	10.9%
200912	37,259	1,677,892	\$45.03	8,625,031	\$231.49	10,302,923	\$276.52	\$41.58	\$232.46	\$274.05	13.5%	8.7%	9.4%
201001	34,773	1,342,857	\$38.62	8,988,447	\$258.49	10,331,303	\$297.11	\$41.50	\$236.41	\$277.90	12.3%	11.6%	11.7%
201002	34,663	1,327,682	\$38.30	7,822,127	\$225.66	9,149,809	\$263.96	\$41.66	\$237.76	\$279.42	12.2%	12.0%	12.1%
201003	34,522	1,502,662	\$43.53	9,668,559	\$280.07	11,171,221	\$323.60	\$41.66	\$238.15	\$279.81	10.4%	9.7%	9.8%
201004	33,167	1,377,797	\$41.54	7,525,513	\$226.90	8,903,310	\$268.44	\$41.63	\$237.99	\$279.62	9.1%	8.8%	8.8%
201005	33,151	1,399,051	\$42.20	7,791,773	\$235.04	9,190,823	\$277.24	\$41.80	\$239.75	\$281.55	8.9%	8.6%	8.7%
201006	32,808	1,406,666	\$42.88	7,854,583	\$239.41	9,261,249	\$282.29	\$41.99	\$239.25	\$281.24	8.5%	8.0%	8.1%
201007	33,237	1,443,200	\$43.42	7,674,214	\$230.89	9,117,414	\$274.31	\$42.03	\$238.98	\$281.01	7.3%	7.2%	7.2%
201008	32,804	1,493,210	\$45.52	8,364,167	\$254.97	9,857,376	\$300.49	\$42.33	\$240.51	\$282.85	6.6%	6.0%	6.1%
201009	32,484	1,372,230	\$42.24	8,043,058	\$247.60	9,415,287	\$289.84	\$42.38	\$240.34	\$282.71	5.6%	4.2%	4.4%
201010	31,924	1,358,730	\$42.56	8,531,476	\$267.25	9,890,206	\$309.81	\$42.24	\$243.93	\$286.17	3.7%	6.0%	5.7%
201011	31,952	1,406,768	\$44.03	7,757,432	\$242.79	9,164,200	\$286.81	\$42.48	\$244.94	\$287.42	2.9%	6.0%	5.5%
201012	32,000	1,499,719	\$46.87	8,352,519	\$261.01	9,852,238	\$307.88	\$42.59	\$247.49	\$290.09	2.4%	6.5%	5.9%
201101	30,028	1,378,081	\$45.89	7,765,436	\$258.60	9,143,517	\$304.50	\$43.20	\$247.37	\$290.57	4.1%	4.6%	4.6%
201102	29,666	1,307,691	\$44.08	6,755,380	\$227.71	8,063,070	\$271.79	\$43.70	\$247.80	\$291.51	4.9%	4.2%	4.3%
201103	29,146	1,482,589	\$50.87	8,265,174	\$283.58	9,747,763	\$334.45	\$44.27	\$247.62	\$291.88	6.3%	4.0%	4.3%
201104	28,502	1,395,589	\$48.96	7,131,522	\$250.21	8,527,112	\$299.17	\$44.86	\$249.63	\$294.49	7.8%	4.9%	5.3%
201105	28,389	1,413,225	\$49.78	7,977,562	\$281.01	9,390,787	\$330.79	\$45.47	\$253.32	\$298.79	8.8%	5.7%	6.1%
201106	28,304	1,480,476	\$52.31	8,193,153	\$289.47	9,673,630	\$341.78	\$46.23	\$257.33	\$303.56	10.1%	7.6%	7.9%
201107	28,255	1,369,715	\$48.48	7,605,531	\$269.18	8,975,246	\$317.66	\$46.66	\$260.67	\$307.33	11.0%	9.1%	9.4%
201108	28,496	1,495,217	\$52.47	8,208,443	\$288.07	9,704,060	\$340.54	\$47.22	\$263.37	\$310.59	11.5%	9.5%	9.8%
201109	28,443	1,418,119	\$49.86	8,292,660	\$291.55	9,710,778	\$341.41	\$47.89	\$267.07	\$314.96	13.0%	11.1%	11.4%
201110	28,068	1,346,757	\$47.98	6,748,185	\$240.42	8,094,942	\$288.40	\$48.38	\$264.92	\$313.30	14.5%	8.6%	9.5%
201111	28,138	1,423,072	\$50.58	6,983,421	\$248.19	8,406,493	\$298.76	\$48.96	\$265.60	\$314.56	15.3%	8.4%	9.4%
201112	27,971	1,478,199	\$52.85	6,990,900	\$249.94	8,469,100	\$302.78	\$49.47	\$264.75	\$314.22	16.1%	7.0%	8.3%
201201	25,656	1,321,763	\$51.52	6,794,394	\$264.83	8,116,158	\$316.34	\$49.94	\$265.30	\$315.24	15.6%	7.3%	8.5%
201202	25,487	1,309,159	\$51.37	6,557,616	\$257.29	7,866,774	\$308.66	\$50.57	\$268.02	\$318.59	15.7%	8.2%	9.3%
201203	25,360	1,412,137	\$55.68	6,285,256	\$247.84	7,697,393	\$303.52	\$50.94	\$265.11	\$316.04	15.1%	7.1%	8.3%
201204	25,244	1,266,245	\$50.16	6,588,008	\$260.97	7,854,253	\$311.13	\$51.05	\$266.08	\$317.13	13.8%	6.6%	7.7%
201205	24,927	1,269,684	\$50.94	6,696,562	\$268.65	7,966,246	\$319.59	\$51.15	\$264.98	\$316.13	12.5%	4.6%	5.8%
201206	25,029	1,262,678	\$50.45	8,009,295	\$320.00	9,271,973	\$370.45	\$50.99	\$267.11	\$318.10	10.3%	3.8%	4.8%
201207	24,850	1,263,368	\$50.84	7,182,670	\$289.04	8,446,038	\$339.88	\$51.21	\$268.64	\$319.84	9.7%	3.1%	4.1%
201208	24,563	1,255,596	\$51.12	6,945,551	\$282.77	8,201,147	\$333.89	\$51.08	\$267.98	\$319.06	8.2%	1.8%	2.7%
201209	24,717	1,163,436	\$47.07	5,932,786	\$240.03	7,096,222	\$287.10	\$50.88	\$263.59	\$314.46	6.2%	-1.3%	-0.2%
201210	24,507	1,301,585	\$53.11	6,570,768	\$268.12	7,872,352	\$321.23	\$51.32	\$266.07	\$317.39	6.1%	0.4%	1.3%
201211	23,940	1,196,339	\$49.97	6,163,407	\$257.45	7,359,746	\$307.42	\$51.28	\$267.05	\$318.34	4.7%	0.5%	1.2%
201212	24,115	1,209,139	\$50.14	6,845,327	\$283.87	8,054,466	\$334.01	\$51.04	\$270.02	\$321.06	3.2%	2.0%	2.2%

Exhibit T - Trend Exhibit

HMO Colorado, Inc.
Individual

Trend Detail

Large Claim and Age-Gender Adjusted Allowed Claims, with IBNR
Persistent Business (36 months or more of experience)
HMO Large Group

Date	Members	Monthly Allowed Pharmacy Claims	Monthly Allowed Rx Claims PMPM	Monthly Allowed Medical Claims	Monthly Allowed Medical Claims PMPM	Monthly Allowed Total Claims	Monthly Allowed Total Claims PMPM	Rolling 12 Pharmacy PMPM	Rolling 12 Medical PMPM	Rolling 12 Combined PMPM	Rolling 12 Pharmacy Trend	Rolling 12 Medical Trend	Rolling 12 Combined Trend
200701	15,036	644,926	\$42.89	2,883,587	\$191.78	3,528,513	\$234.67						
200702	15,158	642,138	\$42.36	2,377,388	\$156.84	3,019,526	\$199.20						
200703	15,121	697,845	\$46.15	2,945,369	\$194.78	3,643,214	\$240.93						
200704	15,049	655,341	\$43.55	2,484,803	\$165.12	3,140,144	\$208.67						
200705	15,019	707,064	\$47.08	3,146,576	\$209.51	3,853,640	\$256.59						
200706	15,165	676,135	\$44.59	3,121,229	\$205.82	3,797,365	\$250.41						
200707	15,912	631,111	\$39.66	3,157,239	\$198.42	3,788,350	\$238.09						
200708	16,015	719,724	\$44.94	3,266,048	\$203.94	3,985,772	\$248.88						
200709	16,107	664,154	\$41.23	2,467,063	\$153.16	3,131,217	\$194.40						
200710	16,229	727,598	\$44.83	2,866,528	\$176.63	3,594,126	\$221.47						
200711	16,329	714,835	\$43.78	2,851,705	\$174.64	3,566,540	\$218.41						
200712	16,508	728,741	\$44.14	2,560,896	\$155.13	3,289,637	\$199.28	\$43.75	\$181.88	\$225.63			
200801	16,400	758,496	\$46.25	3,464,451	\$211.24	4,222,947	\$257.49	\$44.04	\$183.64	\$227.67			
200802	16,369	720,166	\$44.00	2,876,291	\$175.71	3,596,456	\$219.71	\$44.17	\$185.09	\$229.25			
200803	16,353	754,746	\$46.15	3,019,429	\$184.64	3,774,175	\$230.79	\$44.18	\$184.29	\$228.46			
200804	16,520	755,475	\$45.73	2,991,002	\$181.06	3,746,478	\$226.79	\$44.36	\$185.50	\$229.86			
200805	16,641	755,130	\$45.38	3,002,575	\$180.44	3,757,706	\$225.82	\$44.24	\$183.22	\$227.46			
200806	16,784	744,879	\$44.38	4,016,758	\$239.33	4,761,637	\$283.71	\$44.22	\$186.27	\$230.49			
200807	16,860	761,701	\$45.18	3,367,002	\$199.70	4,128,704	\$244.88	\$44.67	\$186.44	\$231.11			
200808	16,946	702,554	\$41.46	3,003,644	\$177.24	3,706,199	\$218.70	\$44.38	\$184.24	\$228.61			
200809	17,156	738,969	\$43.07	3,195,676	\$186.27	3,934,645	\$229.35	\$44.52	\$186.93	\$231.44			
200810	17,025	748,487	\$43.96	3,224,586	\$189.40	3,973,073	\$233.36	\$44.45	\$187.97	\$232.42			
200811	17,049	688,479	\$40.38	3,068,929	\$180.01	3,757,408	\$220.39	\$44.15	\$188.38	\$232.53			
200812	16,947	816,487	\$48.18	3,658,756	\$215.90	4,475,243	\$264.08	\$44.49	\$193.43	\$237.92	1.7%	6.4%	5.5%
200901	17,005	782,628	\$46.02	3,521,212	\$207.07	4,303,840	\$253.10	\$44.48	\$193.13	\$237.61	1.0%	5.2%	4.4%
200902	17,029	739,954	\$43.45	3,344,093	\$196.38	4,084,047	\$239.83	\$44.43	\$194.81	\$239.25	0.6%	5.3%	4.4%
200903	17,061	864,111	\$50.65	3,335,609	\$195.51	4,199,721	\$246.16	\$44.82	\$195.69	\$240.51	1.4%	6.2%	5.3%
200904	17,023	827,975	\$48.64	3,781,279	\$222.13	4,609,254	\$270.76	\$45.06	\$199.09	\$244.15	1.6%	7.3%	6.2%
200905	17,172	807,574	\$47.03	3,620,631	\$210.85	4,428,205	\$257.87	\$45.20	\$201.60	\$246.80	2.2%	10.0%	8.5%
200906	17,291	811,612	\$46.94	3,826,115	\$221.28	4,637,726	\$268.22	\$45.42	\$200.17	\$245.59	2.7%	7.5%	6.5%
200907	17,386	857,287	\$49.31	3,849,118	\$221.39	4,706,405	\$270.69	\$45.77	\$202.01	\$247.77	2.4%	8.4%	7.2%
200908	17,554	844,033	\$48.08	3,812,458	\$217.18	4,656,491	\$265.26	\$46.32	\$205.34	\$251.66	4.4%	11.5%	10.1%
200909	17,780	864,600	\$48.63	3,806,051	\$214.06	4,670,651	\$262.69	\$46.79	\$207.68	\$254.47	5.1%	11.1%	9.9%
200910	17,723	912,231	\$51.47	3,652,158	\$206.06	4,564,389	\$257.53	\$47.42	\$209.04	\$256.46	6.7%	11.2%	10.3%
200911	17,881	839,421	\$46.94	3,674,929	\$205.52	4,514,350	\$252.47	\$47.96	\$211.12	\$259.08	8.6%	12.1%	11.4%
200912	18,223	880,175	\$48.30	3,969,498	\$217.83	4,849,673	\$266.14	\$47.97	\$211.32	\$259.29	7.8%	9.2%	9.0%
201001	18,936	921,044	\$48.64	4,468,756	\$235.99	5,389,800	\$284.63	\$48.19	\$213.88	\$262.06	8.3%	10.7%	10.3%
201002	19,021	867,664	\$45.62	3,958,994	\$208.14	4,826,657	\$253.76	\$48.33	\$214.76	\$263.10	8.8%	10.2%	10.0%
201003	18,938	1,002,118	\$52.92	4,830,675	\$255.08	5,832,793	\$307.99	\$48.55	\$219.84	\$268.40	8.3%	12.3%	11.6%
201004	18,917	918,297	\$48.54	4,254,079	\$224.89	5,172,376	\$273.43	\$48.55	\$220.10	\$268.65	7.7%	10.6%	10.0%
201005	18,917	908,056	\$48.00	4,147,709	\$219.26	5,055,765	\$267.26	\$48.62	\$220.76	\$269.38	7.6%	9.5%	9.1%
201006	18,981	956,846	\$50.41	4,620,019	\$243.40	5,576,865	\$293.81	\$48.91	\$222.67	\$271.57	7.7%	11.2%	10.6%
201007	19,359	987,424	\$51.01	4,245,898	\$219.32	5,233,322	\$270.33	\$49.06	\$222.48	\$271.53	7.2%	10.1%	9.6%
201008	19,439	1,021,731	\$52.56	4,869,139	\$250.49	5,890,869	\$303.05	\$49.44	\$225.32	\$274.76	6.7%	9.7%	9.2%
201009	19,392	931,040	\$48.01	4,433,132	\$228.60	5,364,172	\$276.61	\$49.38	\$226.49	\$275.87	5.5%	9.1%	8.4%
201010	19,323	934,299	\$48.35	4,377,452	\$226.54	5,311,751	\$274.89	\$49.13	\$228.09	\$277.21	3.6%	9.1%	8.1%
201011	19,496	993,765	\$50.97	4,210,663	\$215.97	5,204,428	\$266.94	\$49.46	\$228.82	\$278.27	3.1%	8.4%	7.4%
201012	19,588	1,030,407	\$52.60	5,122,118	\$261.50	6,152,524	\$314.10	\$49.81	\$232.47	\$282.28	3.8%	10.0%	8.9%
201101	19,694	1,053,414	\$53.49	4,795,085	\$243.48	5,848,499	\$296.97	\$50.22	\$233.12	\$283.34	4.2%	9.0%	8.1%
201102	19,609	974,299	\$49.69	4,267,639	\$217.63	5,241,937	\$267.32	\$50.56	\$233.86	\$284.41	4.6%	8.9%	8.1%
201103	19,526	1,122,193	\$57.47	4,979,514	\$255.02	6,101,708	\$312.50	\$50.95	\$233.91	\$284.85	4.9%	6.4%	6.1%
201104	19,435	1,080,050	\$55.57	4,743,826	\$244.09	5,823,876	\$299.66	\$51.53	\$235.49	\$287.02	6.1%	7.0%	6.8%
201105	19,439	1,058,535	\$54.45	4,901,280	\$252.14	5,959,815	\$306.59	\$52.06	\$238.19	\$290.25	7.1%	7.9%	7.7%
201106	19,463	1,086,124	\$55.80	5,276,396	\$271.10	6,362,520	\$326.90	\$52.50	\$240.51	\$293.01	7.4%	8.0%	7.9%
201107	19,698	1,046,703	\$53.14	4,980,359	\$252.83	6,027,061	\$305.97	\$52.68	\$243.30	\$295.98	7.4%	9.4%	9.0%
201108	19,714	1,106,416	\$56.12	5,471,809	\$277.57	6,578,225	\$333.69	\$52.98	\$245.58	\$298.56	7.2%	9.0%	8.7%
201109	19,798	1,085,862	\$54.85	5,472,261	\$276.41	6,558,123	\$331.26	\$53.55	\$249.59	\$303.13	8.4%	10.2%	9.9%
201110	19,834	1,021,245	\$51.49	4,454,215	\$224.58	5,475,460	\$276.07	\$53.80	\$249.37	\$303.17	9.5%	9.3%	9.4%
201111	20,056	1,083,209	\$54.01	4,763,624	\$237.51	5,846,833	\$291.52	\$54.05	\$251.12	\$305.18	9.3%	9.7%	9.7%
201112	20,035	1,142,423	\$57.02	4,717,549	\$235.46	5,859,972	\$292.48	\$54.42	\$248.94	\$303.36	9.3%	7.1%	7.5%
201201	19,881	1,105,020	\$55.58	4,866,373	\$244.77	5,971,393	\$300.35	\$54.60	\$249.04	\$303.64	8.7%	6.8%	7.2%
201202	19,796	1,078,595	\$54.48	4,597,941	\$232.26	5,676,536	\$286.75	\$55.00	\$250.24	\$305.24	8.8%	7.0%	7.3%
201203	19,839	1,161,779	\$58.56	4,723,349	\$238.09	5,885,128	\$296.65	\$55.09	\$248.83	\$303.92	8.1%	6.4%	6.7%
201204	19,827	1,073,132	\$54.12	4,660,001	\$235.03	5,733,133	\$289.15	\$54.97	\$248.06	\$303.03	6.7%	5.3%	5.6%
201205	19,735	1,066,861	\$54.06	4,934,418	\$250.03	6,001,279	\$304.09	\$54.94	\$247.89	\$302.83	5.5%	4.1%	4.3%
201206	19,689	1,067,417	\$54.21	5,957,946	\$302.61	7,025,362	\$356.82	\$54.81	\$250.52	\$305.33	4.4%	4.2%	4.2%
201207	19,759	1,066,874	\$53.99	5,253,833	\$265.90	6,320,707	\$319.89	\$54.88	\$251.61	\$306.49	4.2%	3.4%	3.6%
201208	19,699	1,063,156	\$53.97	5,056,114	\$256.67	6,119,270	\$310.64	\$54.70	\$249.88	\$304.58	3.2%	1.7%	2.0%
201209	19,847	995,694	\$50.17	4,503,337	\$226.90	5,499,031	\$277.07	\$54.31	\$245.75	\$300.06	1.4%	-1.5%	-1.0%
201210	19,768	1,121,665	\$56.74	5,079,289	\$256.94	6,200,954	\$313.68	\$54.75	\$248.45	\$303.20	1.8%	-0.4%	0.0%
201211	19,808	1,061,361	\$53.58	4,824,149	\$243.54	5,885,510	\$297.12	\$54.71	\$248.96	\$303.67	1.2%	-0.9%	-0.5%
201212	19,834	1,059,510	\$53.42	5,201,233	\$262.23	6,260,742	\$315.65	\$54.41	\$251.21	\$305.62	0.0%	0.9%	0.7%

Exhibit V - Confidentiality Index

HMO Colorado, Inc.
Individual

REQUEST FOR CONFIDENTIAL OR PRIVILEGED STATUS

Please fill out this form and submit it with your filing of information or documents with the Colorado Division of Insurance in the event you are requesting confidential or privileged status for all or a portion of such information or documents. It is your responsibility to both claim and validate your request for confidential or privileged status for each separate portion of the information.

1. Identification of Party Requesting Confidential or Privileged Status:

Name: Mike Polakowski, FSA, MAAA
Company: Anthem Blue Cross and Blue Shield
Address: 700 Broadway; Mail Stop: CO 0109-0938
Denver, CO 80273
Email Address: michael.polakowski@anthem.com
Telephone: 303-831-3258
Facsimile: N/A

2. Identification of information or documents for which confidential or privileged status is requested. All of the columns must be completed.

ANTHEM BLUE CROSS AND BLUE SHIELD OF COLORADO SMALL GROUP PPO RATE FILING EFFECTIVE JANUARY 1, 2014						
ID No.	Description of each different section or page	Date	Author	Recipient	Identify Confidentiality or Privilege Claimed (cite legal authority)	Reason why it applies
Exhibit U	Supporting Documentation	Effective 1/1/2014	Mike Polakowski	Colorado Division of Insurance	C.R.S. §24-72-204(3)(a)(IV)	Includes proprietary, trade-secret information and strategy unique to our plan.

Exhibit W - HMO URRT Experience

HMO Colorado, Inc.
Individual

Data Collection Template

Company Legal Name: **HMO Colorado, Inc.** State: **CO**
 HIOS Issuer ID: **76680** Market: **Individual**
 Effective Date of Rate Change(s): **1/1/2014**

Market Level Calculations (Same for all Plans)

Section I: Experience period data

Experience Period: **1/1/2012** to **12/31/2012**

	Experience Period Aggregate Amount	PMPM	% of Prem
Premiums (net of MLR Rebate) in Experience Period:	\$433,557	\$1,197.67	100.00%
Incurred Claims in Experience Period	\$506,438	1,399.00	116.81%
Allowed Claims:	\$557,746	1,540.74	128.64%
Index Rate of Experience Period		\$1,540.74	
Experience Period Member Months	362		

Section II: Allowed Claims, PMPM basis

Experience Period

Projection Period: **1/1/2014** to **12/31/2014** Mid-point to Mid-point, Experience to Projection: **24** months

on Actual Experience Allowed

Adj't. from Experience to Projection Annualized Trend Factors ons, before credibility Adjustment Credibility Manual

Benefit Category	Utilization Description	Utilization per 1,000	Average Cost/Service	PMPM	Pop'l risk Morbidity	Other	Cost	Util	Utilization per 1,000	Average Cost/Service	PMPM	Utilization per 1,000	Average Cost/Service	PMPM
Inpatient Hospital	Days	141.25	\$33,866.01	\$398.63	0.000	0.000	0.000	0.000	0.00	\$0.00	\$0.00	247.62	\$6,305.17	\$130.11
Outpatient Hospital	Visits	803.42	7,440.12	498.13	0.000	0.000	0.000	0.000	0.00	0.00	0.00	1293.74	1,384.02	149.21
Professional	Visits	5,335.14	1,236.42	549.71	0.000	0.000	0.000	0.000	0.00	0.00	0.00	8978.09	230.37	172.36
Other Medical	Visits	320.52	1,888.86	50.45	0.000	0.000	0.000	0.000	0.00	0.00	0.00	536.94	347.00	15.53
Capitation	Benefit Period	12,000.00	2.22	2.22	0.000	0.000	0.000	0.000	0.00	0.00	0.00	12000.00	0.67	0.67
Prescription Drug	Prescriptions	5,550.79	89.92	41.60	0.000	0.000	0.000	0.000	0.00	0.00	0.00	10305.25	70.46	60.51
Total				\$1,540.74							\$0.00			\$528.38

Section III: Projected Experience:

Projected Allowed Experience Claims PMPM (w/applied credibility if applicable)	0.00%	100.00%	\$528.38	\$797,464,912
Paid to Allowed Average Factor in Projection Period			0.673	
Projected Incurred Claims, before ACA rein & Risk Adj't, PMPM			\$355.51	\$536,558,445
Projected Risk Adjustments PMPM			0.00	0
Projected Incurred Claims, before reinsurance recoveries, net of rein prem, PMPM			\$355.51	\$536,558,445
Projected ACA reinsurance recoveries, net of rein prem, PMPM			43.90	66,256,690
Projected Incurred Claims			\$311.61	\$470,301,755
Administrative Expense Load		11.42%	44.20	66,708,660
Profit & Risk Load		4.60%	17.81	26,875,229
Taxes & Fees		3.48%	13.49	20,358,460
Single Risk Pool Gross Premium Avg. Rate, PMPM			\$387.11	\$584,244,104
Index Rate for Projection Period			\$528.38	
% increase over Experience Period			-67.68%	
% Increase, annualized:			-43.15%	
Projected Member Months				1,509,264

Information Not Releasable to the Public Unless Authorized by Law: This information has not been publicly disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.

Exhibit W - HMO URRT Experience

HMO Colorado, Inc.
Individual

Product-Plan Data Collection

Company Legal Name:	HMO Colorado, Inc.
HIOS Issuer ID:	76680
Effective Date of Rate Change(s):	1/1/2014

State: CO
Market: Individual

Product/Plan Level Calculations

[illegible]

Section II: Components of Premium Increase (PMPM Dollar Amount above Current Average Rate PMPM)

Item ID (Standard Component ID)	Total	787260201001	78680C0201001	78680C0201002	78680C0201003	78680C0201004	78680C0201005	78680C0201006	78680C0201007	78680C0201008	78680C0201009	78680C0201010	78680C0201011	78680C0201012	78680C0201013	78680C0201014	78680C0201015	78680C0201016	78680C0201017	78680C0201018	78680C0201019	78680C0201020	78680C0201021	78680C0201022	78680C0201023	78680C0201024	78680C0201025	78680C0201026	78680C0201027	78680C0201028	78680C0201029	78680C0201030	78680C0201031	78680C0201032	78680C0201033	78680C0201034	78680C0201035	78680C0201036	78680C0201037	78680C0201038	78680C0201039	78680C0201040	78680C0201041	78680C0201042	78680C0201043	78680C0201044	78680C0201045	78680C0201046	78680C0201047	78680C0201048	78680C0201049	78680C0201050	78680C0201051	78680C0201052	78680C0201053	78680C0201054	78680C0201055	78680C0201056	78680C0201057	78680C0201058	78680C0201059	78680C0201060	78680C0201061	78680C0201062	78680C0201063	78680C0201064	78680C0201065	78680C0201066	78680C0201067	78680C0201068	78680C0201069	78680C0201070	78680C0201071	78680C0201072	78680C0201073	78680C0201074	78680C0201075	78680C0201076	78680C0201077	78680C0201078	78680C0201079	78680C0201080	78680C0201081	78680C0201082	78680C0201083	78680C0201084	78680C0201085	78680C0201086	78680C0201087	78680C0201088	78680C0201089	78680C0201090	78680C0201091	78680C0201092	78680C0201093	78680C0201094	78680C0201095	78680C0201096	78680C0201097	78680C0201098	78680C0201099	78680C0201100	78680C0201101	78680C0201102	78680C0201103	78680C0201104	78680C0201105	78680C0201106	78680C0201107	78680C0201108	78680C0201109	78680C0201110	78680C0201111	78680C0201112	78680C0201113	78680C0201114	78680C0201115	78680C0201116	78680C0201117	78680C0201118	78680C0201119	78680C0201120	78680C0201121	78680C0201122	78680C0201123	78680C0201124	78680C0201125	78680C0201126	78680C0201127	78680C0201128	78680C0201129	78680C0201130	78680C0201131	78680C0201132	78680C0201133	78680C0201134	78680C0201135	78680C0201136	78680C0201137	78680C0201138	78680C0201139	78680C0201140	78680C0201141	78680C0201142	78680C0201143	78680C0201144	78680C0201145	78680C0201146	78680C0201147	78680C0201148	78680C0201149	78680C0201150	78680C0201151	78680C0201152	78680C0201153	78680C0201154	78680C0201155	78680C0201156	78680C0201157	78680C0201158	78680C0201159	78680C0201160	78680C0201161	78680C0201162	78680C0201163	78680C0201164	78680C0201165	78680C0201166	78680C0201167	78680C0201168	78680C0201169	78680C0201170	78680C0201171	78680C0201172	78680C0201173	78680C0201174	78680C0201175	78680C0201176	78680C0201177	78680C0201178	78680C0201179	78680C0201180	78680C0201181	78680C0201182	78680C0201183	78680C0201184	78680C0201185	78680C0201186	78680C0201187	78680C0201188	78680C0201189	78680C0201190	78680C0201191	78680C0201192	78680C0201193	78680C0201194	78680C0201195	78680C0201196	78680C0201197	78680C0201198	78680C0201199	78680C0201200	78680C0201201	78680C0201202	78680C0201203	78680C0201204	78680C0201205	78680C0201206	78680C0201207	78680C0201208	78680C0201209	78680C0201210	78680C0201211	78680C0201212	78680C0201213	78680C0201214	78680C0201215	78680C0201216	78680C0201217	78680C0201218	78680C0201219	78680C0201220	78680C0201221	78680C0201222	78680C0201223	78680C0201224	78680C0201225
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[illegible]

Section III: Experience Period Information

[illegible]

Section IV: Projected (12 months following effective date)

[illegible]

Exhibit A - Base Rate Development

Effective January 1, 2014

HMO Colorado, Inc. Individual

	<u>PMPM</u>	<u>Annual Total</u>	
0) Expected Annual 2014 Membership	125,772	1,509,264	
1) Experience Period Cost PMPM	\$ 295.75	\$ 446,364,828	Exhibit B
2) <u>x Normalization Factor</u>	<u>0.9127</u>	<u>0.9127</u>	Exhibit C
3) = Normalized Claims	\$ 269.93	\$ 407,397,179	= (1) x (2)
4) x Benefit Changes	0.9187	0.9187	Exhibit D
5) x Morbidity Changes	1.1498	1.1498	Exhibit D
6) x Trend Factor	1.2327	1.2327	Exhibit D
7) <u>x Other Cost of Care Impacts</u>	<u>1.0179</u>	<u>1.0179</u>	Exhibit D
8) = Projected Claim Cost	\$ 357.77	\$ 539,978,600	= (3) x (4) x (5) x (6) x (7)
9) + Other Claim Impacts	(\$2.26)	(\$3,410,937)	Exhibit E
10) = Claims Projected to Projection Period	\$ 355.51	\$ 536,567,663	= (8) + (9)
11) + Risk Mitigation - Contributions and Payments	(\$43.90)	(\$66,256,690)	Exhibit F
12) <u>+ Selling Expense, Administration and Other Retention Items</u>	<u>\$75.50</u>	<u>\$113,949,432</u>	Exhibit G
13) = Required Premium in Projection Period	\$ 387.11	\$ 584,260,405	= (10) + (11) + (12)
14) <u>÷ Average Rating Factors in Projection Period</u>	<u>1.4676</u>	<u>1.4676</u>	Exhibit H
15) = Base Rate (Average Plan-Level - Age 21 - Non-Tobacco)	\$ 263.77	\$ 398,106,027	= (13) ÷ (14)
16) Projected Loss Ratio (Conventional Basis)	80.5%	80.5%	= [(10) + (11)] ÷ (13)

{1} Due to differences in intermediate rounding, PMPMs derived from the Annual Total column may vary from the figures in the PMPM column by \$0.01 at most.

SERFF Tracking #:

AWLP-129016424

State Tracking #:

278047

Company Tracking #:

State:

Colorado

Filing Company:

HMO Colorado, Inc.

TOI/Sub-TOI:

HOrg02I Individual Health Organizations - Health Maintenance (HMO)/HOrg02I.005D Individual - HMO

Product Name:

HMO Colorado Individual Rate Filing Effective 1/1/2014

Project Name/Number:

/

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
05/06/2013		Supporting Document	Colorado Actuarial Memorandum	05/30/2013	CO IND Excel Exhibits.xlsx CO IND State Act Memo.pdf
05/06/2013		Supporting Document	Actuarial Memorandum and Certifications	06/19/2013	CO IND Fed Act Memo.pdf (Superceded)

ACTUARIAL MEMORANDUM

1. General Information

- Company Identifying Information

Company Legal Name:	HMO Colorado, Inc.
State:	Colorado
HIOS Issuer ID:	76680
Market:	Individual
Effective Date:	January 1, 2014

- Company Contact Information

Primary Contact Name:	Steve Spelshaus
Primary Contact Telephone Number:	(303) 831-2073
Primary Contact Email Address:	Steven.Spelshaus@anthem.com

2. Scope and Purpose of the Filing

To the best of Anthem's knowledge and current understanding, this filing complies with the most recent regulations and related guidance. Anthem's intention is to fully comply with all applicable laws and guidance; however, the regulatory framework continues to change and evolve rapidly. To the extent relevant rules or guidance on the rules are updated or changed, amendments to this filing may be required.

The purpose of this rate filing is to establish new product rates that are reasonable relative to the benefits provided and to demonstrate compliance with state laws and provisions of the Affordable Care Act (ACA). The rates will be in-force for effective dates on or after January 1, 2014. These rates will apply to plans offered both On-Exchange and Off-Exchange. This rate filing is not intended to be used for other purposes.

Policy Form Number(s):	EOC_ENG_HMOCOLORADO_76680CO0220014_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220001_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220002_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220006_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220003_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220004_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220005_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220007_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220008_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220009_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220010_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220011_20140101
	EOC_ENG_HMOCOLORADO_76680CO0220012_20140101

EOC_ENG_HMOCOLORADO_76680CO0220013_20140101
EOC_ENG_HMOCOLORADO_76680CO0250015_20140101
EOC_ENG_HMOCOLORADO_76680CO0250001_20140101
EOC_ENG_HMOCOLORADO_76680CO0250002_20140101
EOC_ENG_HMOCOLORADO_76680CO0250006_20140101
EOC_ENG_HMOCOLORADO_76680CO0250003_20140101
EOC_ENG_HMOCOLORADO_76680CO0250004_20140101
EOC_ENG_HMOCOLORADO_76680CO0250005_20140101
EOC_ENG_HMOCOLORADO_76680CO0250007_20140101
EOC_ENG_HMOCOLORADO_76680CO0250008_20140101
EOC_ENG_HMOCOLORADO_76680CO0250009_20140101
EOC_ENG_HMOCOLORADO_76680CO0250010_20140101
EOC_ENG_HMOCOLORADO_76680CO0250011_20140101
EOC_ENG_HMOCOLORADO_76680CO0250012_20140101
EOC_ENG_HMOCOLORADO_76680CO0250013_20140101
EOC_ENG_HMOCOLORADO_76680CO0250014_20140101

3. Description of How the Base Rate Is Determined

The development of the Base Rate is detailed in Exhibit A - Base Rate Development. Further details on how the base rate is developed can be found in Section 8: Credibility Manual Rate Development, Section 11: Risk Adjustment and Reinsurance, Section 12: Non-Benefit Expenses, Profit and Risk, and Section 13: Average 2014 Rating Factors. A description of the methodology used to determine the base rate is as follows:

- Historical Individual experience is not considered representative of the future market; therefore, the manual rates are developed based on Small Group Grandfathered and Non-Grandfathered experience.
- The experience data is normalized to reflect anticipated changes in age/gender, area/network and benefit plan from the experience period to the projection period based on expected distribution of membership.
- The projected claims cost is calculated by adjusting the normalized claims for the impact of benefit changes, population morbidity, trend factors, other cost of care impacts and other claim adjustments.
- The projection period is January 1, 2014 - December 31, 2014.
- Adjustments for risk adjustment and reinsurance are applied to the projected claims cost.
- Non-benefit expenses, profit, and risk are applied to the projected claims cost to determine the required projection period premium.
- The average rating factors in the projection period are applied to the projection period premium to determine the base rate.
- The base rate represents an average benefit plan and area for an age 21 non-tobacco user in Colorado.

Premiums at the member level are determined by multiplying the base rate by the applicable factor for each of the allowable rating criteria: age, tobacco, area, and benefit plan. An example of this calculation is shown in Exhibit M - Sample Rate Calculation.

4. Proposed Rate Increase

New product filing; this section is not applicable.

5. Experience Period Premium and Claims

Experience shown in Worksheet 1, Section I of the Unified Rate Review Template is for the Colorado Individual Single Risk Pool Non-Grandfathered Business. This experience is deemed not credible and therefore is not used for development of manual rates. The manual rates are fully detailed in Section 8: Credibility Manual Rate Development.

Because the HIOS ID assigned to the HMO Colorado, Inc. legal entity is actually the ID for Rocky Mountain Hospital And Medical Service, Inc. (Anthem's PPO legal entity), experience for HMO Colorado, Inc. must be excluded from the URRT so it may be validated and accepted upon submission. Exhibit W - HMO URRT Experience displays the information that would appear in Worksheet 1 and the terminated products column of Worksheet 2 of the URRT provided HMO Colorado, Inc. was assigned a unique HIOS ID. References to URRT experience data in this memorandum are consistent with the information in Exhibit W.

Claims experience in Worksheet 1, Section I of the Unified Rate Review Template reflects dates of service from January 1, 2012 through December 31, 2012.

- **Paid Through Date**

Claims shown in Worksheet 1, Section I of the Unified Rate Review Template are paid through December 31, 2012.

- **Allowed and Incurred Claims Incurred During the Experience Period**

The allowed claims are determined by subtracting non-covered benefits, provider discounts, and coordination of benefits amounts from the billed amount.

Allowed and incurred claims are completed using the chain ladder method, an industry standard, by using historic paid vs. incurred claims patterns. The method calculates historic completion percentages, representing the percent of claims paid for a particular month after one month of run out, two months, etc., for a forty-eight month view of history. Claim backlog files are reviewed on a monthly basis and are accounted for in the historical completion factor estimates.

- **Premiums (net of MLR Rebate) in Experience Period**

The estimated Non-Grandfathered gross earned premium for Colorado Individual is \$433,557, where earned premium is the pro-rata share of premium owed to Anthem due to subscribers actively purchasing insurance coverage during the experience period.

The preliminary MLR Rebate estimate is \$0, which is consistent with the 12/31/2012 Anthem general ledger estimate allocated to the Non-Grandfathered portion of Individual. Note that this is an estimate and will not be final until 6/1/2013.

6. Benefit Categories

The methodology used to determine benefit categories in Worksheet 1, Section II of the Unified Rate Review Template is as follows:

- Inpatient Hospital: Includes non-capitated facility services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.
- Outpatient Hospital: Includes non-capitated facility services for surgery, emergency room, lab, radiology, therapy, observation, and other services provided in an outpatient facility setting and billed by the facility.
- Professional: Includes non-capitated primary care, specialist, therapy, the professional component of laboratory and radiology, and other professional services, other than hospital based professionals whose payments are included in facility fees.
- Other Medical: Includes non-capitated ambulance, home health care, DME, prosthetics, supplies, vision exams, dental services, and other services.
- Capitation: Includes all services provided under one or more capitated arrangements.
- Prescription Drug: Includes drugs dispensed by a pharmacy and rebates received from drug manufacturers.

7. Projection Factors

As previously indicated, the credibility level assigned to the experience in Worksheet 1, Section III of the Unified Rate Review Template is 0%. Consequently, factors to project experience claims are not provided as they are not applicable. However, the factors used to develop the manual rates are fully detailed in Section 8: Credibility Manual Rate Development.

8. Credibility Manual Rate Development

Experience developed and projected herein is Anthem's Small Group Business based on plan liability amounts. The rate development is shown in Exhibit A - Base Rate Development.

- Source and Appropriateness of Experience Data Used

Anthem is using its Small Group experience to develop the manual rates.

The source data underlying the development of the manual rate consists of claims for all Grandfathered and Non-Grandfathered Small Group business, incurred during the period November 1, 2011 – October 31, 2012 and paid through December 31, 2012. Completion factors are then calculated to reflect additional months of runout after December 31, 2012. Anthem expects a large portion of the Grandfathered policyholders to migrate to ACA-compliant policies prior to and during the projection period.

Experience is adjusted as follows:

- Claims incurred for members who live out-of-state were excluded; however, claims incurred by in-state members traveling out-of-state were included.

For more detail, see Exhibit B - Claims Experience for Manual Rate Development.

- **Adjustments Made to the Data**

The development of the projected claims is summarized in Exhibit A - Base Rate Development, items (1) - (10), and described in detail below.

The projected claims cost is calculated by multiplying the normalized claims cost by the impact of benefit changes, anticipated changes in population morbidity, and cost of care impacts. The adjustments are described below, and the factors are presented in Exhibit D - Projection Period Adjustments.

Changes in Demographics (Normalization)

The source data was normalized to reflect anticipated changes in age/gender, area/network and benefit plan from the experience period to the projection period. The purpose of these factors is to adjust current experience to be reflective of expected claim experience in the projection period. See Section 18: Membership Projections for additional information on membership movement. The normalization factors and their aggregate impact on the underlying experience data are detailed in Exhibit C - Normalization Factors.

- **Age/Gender:** The assumed claims cost is applied by age and gender to the experience period distribution and the projection period distribution.
- **Area/Network:** The area claims factors are developed based on an analysis of Small Group and Individual allowed claims by network, mapped to the prescribed 2014 rating areas using 5-digit zip code.
- **Benefit Plan:** The experience period claims are normalized to an average 2014 plan using benefit relativities. The benefit relativities include the value of cost shares and anticipated changes in utilization due to the difference in average cost share requirements.

Changes in Benefits

Benefit changes include the following:

- Preventive Rx (over the counter): The claims are adjusted for 100% coverage of benefits for specific over the counter drugs obtained with a prescription from a physician.
- Rx Adjustments: The claims are adjusted for differences in the Rx formulary, network, mandatory mail order programs, coverage for preventive prescription drugs previously sold over-the-counter, and impacts for moving drugs into different tiers in the projection period relative to what is reflected in the base experience data.

Changes in the Morbidity of the Population Insured

Morbidity changes include the following:

- Higher morbidity expected from individual-level purchasing decisions in 2014: Anthem assumes that the morbidity of the smallest groups, sizes 1 – 5 members, relative to the total small group population are a reasonable approximation for the health status of the individual market. Relative morbidity by group size is based on health status determined from internal risk score data.
- Higher morbidity of the uninsured compared to the insured population: This adjustment is based on a CDC study on the health status and life styles of both currently insured and uninsured populations. This adjustment also considers the expected number of previously uninsured individuals expected to move into the Individual market in 2014.
- Pent-up demand: As previously uninsured individuals obtain insurance in 2014, Anthem expects them to have some pent-up demand for health care services. An adjustment is needed to account for this additional utilization of health care services in year one. Previously uninsured individuals are assumed to utilize more health care services due to pent-up demand. Currently insured members are assumed to have no pent-up demand for health care services in year one.
- Morbidity of Non-Grandfathered compared to Grandfathered members: The base period experience includes Grandfathered and Non-Grandfathered members. The experience is adjusted to account for the different morbidity between Grandfathered and Non-Grandfathered members to derive a Non-Grandfathered only rate.
- Impact of selection due to renewal timing changes: All individuals have the option to change renewal date to December 2013 and remain on their current product until they renew again in 2014. The individuals experiencing rate increases in 2014 are more likely to elect to move renewal date.

Trend Factors

- The annual pricing trend used in the development of the rates is 10.1%. The trend is based on projected cost and utilization trends by place of service, including anticipated changes in provider contracts. Normalization adjustments are made for persistent business, age/gender, and large claims. Trend also includes an estimate for leveraging. The claims are trended 26 months from the midpoint of the experience period, which is May 1, 2012, to the midpoint of the projection period, which is July 1, 2014.

Other Cost of Care Impacts

- Induced Demand Due to Cost Share Reductions: Individuals below 200% Federal Poverty Level who enroll in silver plans On-Exchange will be eligible for cost share reductions. As a result, the base period experience is adjusted to account for the higher anticipated utilization levels.
- Grace Period: The base period experience is adjusted upward to account for some incidence of enrollees not paying premiums due during the first month of the 90-day grace period when the QHP is liable for paying claims. Anthem is assuming a 15% rate of premium non-payment on one-twelfth of the annual premium due for 60% of the Individual population (those eligible for Advance Payments of a Premium Tax Credit). The amount of premium at risk is only on the portion that Anthem does not receive via direct subsidy, estimated to be about 50%. These assumptions result in an upward adjustment to the base rate of 0.375% ($0.15 \times 0.60 \times 50\% \times 1/12 = 0.00375$).

Other Claim Adjustments

The adjustments described below are presented in Exhibit E - Other Claim Adjustments.

- Rx Rebates: The projected claims cost is adjusted to reflect anticipated Rx rebates. These projections take into account the most up-to-date information regarding anticipated rebate contracts, drug prices, anticipated price inflation, and upcoming patent expirations.
- The cost of adding benefits for pediatric dental and vision are included.

- **Capitation Payments**

The underlying data includes capitation payments, which are combined with the base medical and pharmacy claims and projected at the same rate. No further adjustment is made to the capitation.

9. Credibility of Experience

The experience in Worksheet 1, Section III of the Unified Rate Review Template does not reasonably reflect Individual claims experience under the future market conditions. Anthem believes that Small Group experience is more representative of the future projection period. Actuarial judgment has been exercised to determine that rates will be developed giving full credibility to the data underlying the manual rate in Section 8: Credibility Manual Rate Development.

- Resulting Credibility Level Assigned to Base Period Experience

The credibility level assigned to the experience in Worksheet 1, Section III of the Unified Rate Review Template is 0%.

10. Paid to Allowed Ratio

The 'Paid to Allowed Average Factor in Projection Period' shown in Worksheet 1, Section III of the Unified Rate Review Template is developed by membership-weighted essential health benefit paid claims divided by membership-weighted essential health benefit allowed claims of each plan. The projected membership by plan is shown in Worksheet 2, Section II.

11. Risk Adjustment and Reinsurance

- Projected Risk Adjustment

The Risk Adjustment program transfers funds from lower risk plans to higher risk plans in the Non-Grandfathered Individual and Small Group market. At this time, Anthem is assuming the risk for the plans in this filing are no better or worse than other plans in the market, resulting in no estimated risk transfer value as shown in Exhibit F - Risk Adjustment and Reinsurance - Contributions and Payments.

- Projected ACA Reinsurance Recoveries Net of Reinsurance Premium

The transitional reinsurance risk mitigation program collects funds from all insurance issuers and TPAs and redistributes them to high cost claimants in the Non-Grandfathered Individual market. The reinsurance contribution is equal to the national per capita reinsurance contribution rate as shown in Exhibit F - Risk Adjustment and Reinsurance - Contributions and Payments.

The reinsurance payment is developed using projected paid claims, claim probability distribution, and reinsurance payment guidelines. The claim probability distribution observes claims between \$60K and \$250K using a claim probability distribution that reflects the anticipated claim cost distribution of the 2014 Individual market. Expected paid claims are calculated for an assumed average On-Exchange plan design. Reinsurance payments are allocated proportionally by plan premiums to all plans in the risk pool.

12. Non-Benefit Expenses, Profit and Risk

Non-Benefit expenses are detailed in Exhibit G - Non-Benefit Expenses and Profit & Risk.

- Administrative Expense

Administrative Expense contains both acquisition costs associated with the production of new business through non-broker distribution channels (direct, telesales, etc) as well as maintenance costs associated with ongoing costs for the administration of the business. Acquisition costs are projected using historical cost per member sold amounts applied to future sales estimates. Maintenance costs are assumed to be flat on a per member basis with savings from fixed cost leverage and the elimination of underwriting offset by new expenses for risk management, regulatory compliance and premium reconciliation and balancing.

- Quality Improvement Expense

The quality improvement expense represents Anthem's dedication to providing the highest standard of customer care and consistently seeking to improve health care quality, outcomes and value in a cost efficient manner.

- Selling Expense

Selling Expense represents broker commissions and bonuses associated with the broker distribution channel using historical and projected commission levels. Commissions will be paid On-Exchange and Off-Exchange.

- Taxes and Fees

- Patient-Centered Outcomes Research Institute (PCORI) Fee: The PCORI fee is a federally-mandated fee designed to help fund the Patient-Centered Outcomes Research Trust Fund. For plan years ending before October 1, 2014, the fee is \$2 per member per year. Thereafter, for every plan year ending before October 1, 2019, the fee will increase by the percentage increase in National Healthcare Expenditures.
- Risk Adjustment Fee: The Risk Adjustment fee is a user fee to support the administration of the HHS operated Risk Adjustment program. The charge is \$1 per enrollee per year.
- ACA Insurer Fee: The health insurance industry will be assessed a permanent fee, based on market share of net premium, which is not tax deductible.
- Exchange Fee: The Exchange User Fee applies to Exchange business only, but the cost is spread across all Individual plans. It is a blended fee based on the assumed percentage of members that will purchase products On-Exchange and Off-Exchange.
- Federal, state, and premium taxes are also included in the retention items.

- Profit

Profit is reflected on a post-tax basis as a percent that does not vary by product or plan.

13. Average 2014 Rating Factors

The required premium in the projection period is adjusted to reflect the average age, tobacco, area, and benefit plan rating factors to develop the rating period base rate. The average factors are shown in Exhibit H - Average 2014 Rating Factors and applied in line item 14 of Exhibit A - Base Rate Development.

- **Benefit Plan Factors**

Refer to Exhibit I - Non-Grandfathered Benefit Plan Factors.

- **Age and Tobacco Factors**

Refer to Exhibit J - Age Factors.

Refer to Exhibit K - Tobacco Factors.

- **Area Factors**

Refer to Exhibit L - Area Factors.

14. Projected Loss Ratio

- **Projected Federal MLR**

The projected Federal MLR for the products in this filing is estimated in Exhibit N - Federal MLR Estimated Calculation. Please note that this calculation is purely an estimate and not meant to be a true measure for Federal or State MLR rebate purposes. The products in this filing represent only a subset of Anthem's Individual business. The MLR for Anthem's entire book of Individual business will be compared to the minimum Federal benchmark for purposes of determining regulation-related premium refunds. Also note that the projected Federal MLR presented here does not capture all adjustments, including but not limited to third party margins, three-year averaging, credibility, dual option, and deductible. Anthem's projected MLR is expected to meet or exceed the minimum MLR standards at the market level after including all adjustments.

15. Index Rate

- **Experience Period Index Rate**

The index rate represents the average allowed claims of essential health benefits for HMO Colorado, Inc.'s Individual Non-Grandfathered Business. The experience period index rate shown in Worksheet 1, Section I (cell G17) of the Unified Rate Review Template is \$1540.74 and is the same as the experience period allowed claims (cell G16 in same location). A comparison to the benchmark was performed, and only essential health benefits were covered during the experience period.

- **Projection Period Index Rate**

The index rate represents the average allowed claims PMPM of essential health benefits for HMO Colorado, Inc.'s Individual Non-Grandfathered Business. The projection period index rate was developed as shown in Exhibit O - Projected Index Rate Development by adjusting the projected incurred claims PMPM described in Section 8: Credibility Manual Rate Development of this memorandum. No benefits in excess of the essential health benefits are included in the projection period allowed claims (cell T30 of Worksheet 1, Section II of the Unified Rate Review Template) and Exhibit O's projection period index rate (also shown in cell V44 of Worksheet 1, Section III of the Unified Rate Review Template). To calculate the required premium, the projection period index rate is adjusted only by the adjustments allowed per Market Reform and Payment Parameters Regulations. This development is presented in Exhibit P - Development of Required Premium from Index Rate.

16. Actuarial Value Metal Values

The Actuarial Value (AV) Metal Values included in Worksheet 2 of the Unified Rate Review Template are based on the AV Calculator. To the extent a component of the benefit design was not accommodated by an available input within the AV Calculator, the benefit characteristic was adjusted to be actuarially-equivalent to an available input within the AV Calculator for purposes of utilizing the AV Calculator as the basis for the AV Metal Values. Benefits for Plans that are not compatible with the parameters of the AV Calculator have been separately identified and documented in the Unique Plan Design Supporting Documentation and Justification that supports the Plan & Benefits Template.

17. Actuarial Value Pricing Values

The Actuarial Value (AV) Pricing Values for each Product ID are in Worksheet 2, Section I of the Unified Rate Review Template. The fixed reference plan selected as the basis for the AV Pricing Value calculations is '76680CO0220007'. Utilization adjustments are made to account for member behavior variations, depending on the richness of the benefit design and not the health status of the member. The average allowable modifiers to the Index Rate can be found in Exhibit P - Development of Required Premium from Index Rate.

18. Membership Projections

Membership projections are developed using a population movement model and adjustments for sales expectations. This model projects the membership in the projection period by taking into account:

- Uninsured to Individual as a result of guaranteed issue, subsidized coverage, and individual mandate
- Small Group to Individual as a result of guaranteed issue and rate disruptions due to the transition to Modified Community Rating
- High Risk Pools to Individual as a result of guaranteed issue
- Individual and Uninsured to Medicaid as a result of expanded Medicaid eligibility

The plan distribution is based on assumed metal tier and network distributions.

Refer to Exhibit D - Projection Period Adjustments for the projected morbidity changes from population movement.

Cost share reduction subsidies will be available on silver level plans. Anthem ran projections to estimate enrollment by income level in each of the plans. Projected enrollment by plan and subsidy level can be found in Exhibit R - Membership Projections for Cost-Sharing Reductions.

19. Warning Alerts

The sum of the allowed claims for plan level projections on Worksheet 2, Section IV of the Unified Rate Review Template are net of projected risk adjustments and projected ACA reinsurance recoveries and premium, which is consistent with the Unified Rate Review Template instructions for the allowed claims as well as the check in cell B86. However, this results in the allowed claims PMPM to be mismatched to the check in cell B99 since B99 does not net the impacts of projected risk adjustments and projected ACA reinsurance recoveries and premium, so a warning may result in A99.

20. Terminated Products

Non ACA-compliant products will no longer be offered to new enrollees effective January 1, 2014 but will remain in effect in 2014 until enrollees renew onto ACA-compliant products. The list of non ACA-compliant terminated products are shown in Exhibit Q - Terminated Products.

21. Plan Type

Plan types in Worksheet 2, Section I of the URRT adequately describe Anthem's plans.

22. Actuarial Certification

I, Michael Polakowski, FSA, MAAA, am an actuary for Anthem. I am a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. I hereby certify that the following statements are true to the best of my knowledge with regards to this filing:

(1) The projected Index Rate is:

- In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)),
- Developed in compliance with the applicable Actuarial Standards of Practice
- Reasonable in relation to the benefits provided and the population anticipated to be covered
- Not excessive, inadequate, or unfairly discriminatory.

(2) The Index Rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.

(3) The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV is calculated in accordance with actuarial standards of practice.

(4) The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans.

The Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. Rather it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of Qualified Health Plans for Federally-Facilitated Exchanges, and for certification that the Index Rate is developed in accordance with Federal regulation, used consistently, and only adjusted by the allowable modifiers. However, this Actuarial Memo does accurately describe the process used by the issuer to develop the rates.

Michael Polakowski, FSA, MAAA
Regional Vice President and Actuary III

May 9, 2013
Date

Exhibit A - Base Rate Development

Effective January 1, 2014

HMO Colorado, Inc.
Individual

	<u>Paid Claims</u>	
1) Experience Period Cost PMPM	\$ 295.75	Exhibit B
2) <u>x Normalization Factor</u>	<u>0.9127</u>	Exhibit C
3) = Normalized Claims	\$ 269.93	= (1) x (2)
4) x Benefit Changes	0.9187	Exhibit D
5) x Morbidity Changes	1.1498	Exhibit D
6) x Trend Factor	1.2327	Exhibit D
7) <u>x Other Cost of Care Impacts</u>	<u>1.0179</u>	Exhibit D
8) = Projected Claim Cost	\$ 357.77	= (3) x (4) x (5) x (6) x (7)
9) + Other Claim Impacts	(\$2.26)	Exhibit E
10) = Claims Projected to Projection Period	\$ 355.51	= (8) + (9)
11) + Risk Mitigation - Contributions and Payments	(\$43.90)	Exhibit F
12) <u>+ Selling Expense, Administration and Other Retention Items {1}</u>	<u>\$75.50</u>	Exhibit G
13) = Required Premium in Projection Period	\$ 387.11	= (10) + (11) + (12)
14) <u>÷ Average Rating Factors in Projection Period</u>	<u>1.4676</u>	Exhibit H
15) = Base Rate (Average Plan-Level - Age 21 - Non-Tobacco)	\$ 263.77	= (13) ÷ (14)
16) Projected Loss Ratio (Conventional Basis)	80.5%	= [(10) + (11)] ÷ (13)

NOTES:

{1} Equivalent to PMPM expenses on Exhibit G + % of premium expenses on Exhibit G applied to Required Premium (Row 13 above).

Exhibit B - Claims Experience for Manual Rate Development

**HMO Colorado, Inc.
Individual**

Incurred November 1, 2011 through October 31, 2012

Paid through December 31, 2012

PPO, HMO, Traditional and Anthem Essential Small Group In-Area Business:

PAID CLAIMS:										
Incurred and Paid Claims:		IBNR:		Fully Incurred Claims:			Total	Member	Total	
Medical	Drug	Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM	
\$ 159,653,348	\$ 32,011,952	\$ 3,329,087	\$ 19,523	\$ 162,982,435	\$ 32,031,475	\$ 9,223	\$ 195,023,133	659,410	\$	295.75

ALLOWED CLAIMS:										
Incurred and Paid Claims:		IBNR:		Fully Incurred Claims:			Total	Member	Total	
Medical	Drug	Medical	Drug	Medical	Drug	Capitation	Benefit Expense	Months	PMPM	
\$ 207,578,978	\$ 47,239,957	\$ 4,189,722	\$ 27,206	\$ 211,768,700	\$ 47,267,163	\$ 9,223	\$ 259,045,086	659,410	\$	392.84

Exhibit C - Normalization Factors

HMO Colorado, Inc.
Individual

Experience Period: November 1, 2011 through October 31, 2012

Normalize to population expected in 2014

Average claim factors based on future population as compared to experience period population:

	Average Claim Factors		Normalization
	Experience Period Population	Future Population	Factor
Age/Gender	1.0240	1.0570	1.0322
Area/Network	0.9891	0.8957	0.9056
Benefit Plan	0.8983	0.8771	0.9764
Total	0.9098	0.8304	0.9127

Exhibit D - Projection Period Adjustments

HMO Colorado, Inc. Individual

Impact of Changes Between Experience Period and Projection Period:

	<u>Adjustment Factor</u>
<u>Benefit changes</u>	
Preventive Rx (over the counter)	1.0006
Eliminate Pre-Ex	1.0000
<u>Rx Adjustments {1}</u>	<u>0.9181</u>
Total Benefit Changes	0.9187
<u>Morbidity changes</u>	
Total Morbidity Changes	1.1498
<u>Cost of care impacts</u>	
Annual Medical/Rx Trend Rate	10.1%
# Months of Projection	26
Trend Factor	1.2327
Induced Demand for Cost Share Reductions	1.0140
Grace Period	1.0038

NOTES:

{1} Adjusted for differences in the Rx formulary, network, mandatory mail order programs, and impacts for moving drugs into different tiers in the projection period relative to what is reflected in the base experience data.

Exhibit E - Other Claim Adjustments

HMO Colorado, Inc.
Individual

<i>Adjustments to projection period claims to reflect covered benefits not included in experience period data:</i>	
	<u>PMPM</u>
Rx Rebates	(\$2.52)
Pediatric Dental	\$0.14
Pediatric Vision	\$0.12
<u>Additional Non-EHBs {1}</u>	<u>\$0.00</u>
Total	(\$2.26)

NOTES:

{1} The 'Additional Non-EHBs' adjustment above reflects ONLY additional costs beyond those already captured in line Item 8 of Exhibit A.

Exhibit F - Risk Adjustment and Reinsurance - Contributions and Payments

HMO Colorado, Inc.
Individual
Effective January 1, 2014

<u>Risk Adjustment:</u>			
Description		Transfers funds from lowest risk plans to highest risk plans	
Participants		Non-Grandfathered Individual and Small Group plans (inside and outside Exchange) are eligible	
PMPM	Net Transfer		
Federal Program	\$0.00		
<u>Note:</u> It is assumed the risk for the plans included in this rate filing is no better/worse than any other plans within this market.			
<u>Reinsurance:</u>			
Description		Provides funding to plans that enroll highest cost individuals	
Participants		All insurance issuers and TPAs contribute funds Non-Grandfathered Individual plans (inside and outside Exchange) are eligible for payments	
PMPM	Contributions Made	Expected Payments	
Federal Program	\$5.25	(\$49.15)	<i>Small Group Plans contribute funds but only Individual Plans are eligible to receive payments</i>
<u>Source:</u> HHS estimates a national per capita contribution rate of \$5.25 per month (\$63 per year) in benefit year 2014 and \$3.50 per month (\$42 per year) in 2015 (per Payment Parameter Rule).			
Grand Total of All Risk Mitigation Programs			(\$43.90)

Exhibit G - Non-Benefit Expenses and Profit & Risk

HMO Colorado, Inc. Individual

	<u>PMPM</u>	<u>% Premium</u>
Administrative Costs	\$28.97	
Quality Improvement Expense	\$3.23	
Selling Expense	\$12.00	
ACA Related Fees:		
PCORI Fee	\$0.17	
Risk Adjustment User Fee	\$0.08	
ACA Insurer Fee		2.58%
Exchange User Fee		0.84%
Premium Tax		0.00%
Federal/State Taxes		1.74%
Profit (Post-Tax)		2.86%
Total	\$44.45	8.02%

Exhibit H - Average 2014 Rating Factors

HMO Colorado, Inc.
Individual

Effective January 1, 2014

<i>Average 2014 rating factors for 2014 population:</i>	
	Average Rating Factor
Age/Tobacco	1.4676
Area/Benefit Plan	1.0000
Total	1.4676

NOTES:

The developed base rate is reduced by the overall average rating factor shown above.
See Line Item 14 on Exhibit A.

Exhibit I - Non-Grandfathered Benefit Plan Factors

HMO Colorado, Inc.
Individual
Effective January 1, 2014

On-Exchange Plans:		
<u>Metal Level</u>	<u>HIOS Standard Component Plan ID</u>	<u>Plan Factor</u>
Catastrophic	76680CO0220014	0.6936
Bronze	76680CO0220001	0.8742
	76680CO0220002	0.8139
	76680CO0220006	0.8355
	76680CO0220003	0.8172
	76680CO0220004	0.9371
	76680CO0220005	0.8165
Silver	76680CO0220007	1.0725
	76680CO0220008	1.1114
	76680CO0220009	1.0018
	76680CO0220010	1.0958
	76680CO0220011	1.0929
Gold	76680CO0220012	1.3735
	76680CO0220013	1.3951
Platinum		

Off-Exchange Plans:		
<u>Metal Level</u>	<u>HIOS Standard Component Plan ID</u>	<u>Plan Factor</u>
Catastrophic	76680CO0250015	0.6936
Bronze	76680CO0250001	0.8742
	76680CO0250002	0.8139
	76680CO0250006	0.8355
	76680CO0250003	0.8172
	76680CO0250004	0.9371
	76680CO0250005	0.8165
Silver	76680CO0250007	1.0725
	76680CO0250008	1.1114
	76680CO0250009	1.0018
	76680CO0250010	1.0958
	76680CO0250011	1.0929
	76680CO0250012	1.0882
Gold	76680CO0250013	1.3735
	76680CO0250014	1.3951
Platinum		

NOTES:

Benefit Plan Factors above reflect plan by plan differences from the index rate for allowable adjustments as described in detail in the Market Reform and Payment Parameters Regulations and illustrated in Exhibit P. The weighted average of these adjustments for the entire risk pool included in this rate filing is detailed in Exhibit H.

Exhibit J - Age Factors

HMO Colorado, Inc.
Individual
Effective January 1, 2014

Age	Rating Factor
0-20	0.635
21-24	1.000
25	1.004
26	1.024
27	1.048
28	1.087
29	1.119
30	1.135
31	1.159
32	1.183
33	1.198
34	1.214
35	1.222
36	1.230
37	1.238
38	1.246
39	1.262
40	1.278
41	1.302
42	1.325
43	1.357
44	1.397
45	1.444
46	1.500
47	1.563
48	1.635
49	1.706
50	1.786
51	1.865
52	1.952
53	2.040
54	2.135
55	2.230
56	2.333
57	2.437
58	2.548
59	2.603
60	2.714
61	2.810
62	2.873
63	2.952
64+	3.000

Exhibit K - Tobacco Factors

HMO Colorado, Inc.
Individual
Effective January 1, 2014

Age	Rating Factor
0-20	1.0000
21+	1.1000

Exhibit L - Area Factors

HMO Colorado, Inc.

Individual

Effective January 1, 2014

Rating Area Description	Rating Factor
1 - Boulder MSA	0.9268
2 - Colorado Springs MSA	0.8875
3 - Denver MSA	0.9467
4 - Fort Collins MSA	0.9984
5 - Grand Junction MSA	1.0633
6 - Greeley PMSA	1.0608
7 - Pueblo MSA	1.0507
8 - SE Non-MSA	1.0450
9 - NE Non-MSA	1.3290
10 - West Non-MSA	1.1935
11 - Resort Non-MSA	1.4693

Exhibit M - Sample Rate Calculation

HMO Colorado, Inc. Individual

Name: John Doe
Effective Date: 1/1/2014
On/Off Exchange: On
Metal Level: Silver
Plan: 76680CO0220007
Rating Area: 1 - Boulder MSA

Family Members Covered:

	<u>Age</u>	<u>Smoker?</u>
Subscriber	40	N
Spouse	42	N
Child (age 21+)	25	Y
Child #1	20	N
Child #2	16	N

Calculation of Monthly Premium:

Base Rate =	\$	263.77	Exhibit A
x Benefit Plan Factor		1.0725	Exhibit I
<u>x Area Factor</u>		<u>0.9268</u>	Exhibit L
Base Rate Adjusted for Plan/Area =	\$	262.17	

Age/Tobacco Factors:

Exhibit J and Exhibit K

	<u>Age Factor</u>	<u>Tobacco Factor</u>
Subscriber	1.278	1.00
Spouse	1.325	1.00
Child (age 21+)	1.004	1.10
Child #1	0.635	1.00
Child #2	0.635	1.00

Final Monthly Premium PMPM:

	<u>PMPM</u>
Subscriber	\$ 335.05
Spouse	\$ 347.38
Child (age 21+)	\$ 289.54
Child #1	\$ 166.48
Child #2	\$ 166.48
TOTAL	\$ 1,304.93

NOTES:

{1} As per the Market Reform Rule, when computing family premiums no more than the three oldest covered children under the age of 21 are taken into account whereas the premiums associated with each child age 21+ are included.

{2} Minor rate variances may occur due to differences in rounding methodology.

Exhibit N - Federal MLR Estimated Calculation

HMO Colorado, Inc. Individual

Numerator:

Incurred Claims	\$355.51	Exhibit A
+ Quality Improvement Expense	\$3.23	Exhibit G
+ Risk Corridor Contributions	\$0.00	
+ Risk Adjustment Contributions	\$0.00	Exhibit F
- Reinsurance Receipts	\$49.15	Exhibit F
- Risk Corridor Receipts:	\$0.00	
- Risk Adjustment Receipts:	<u>\$0.00</u>	Exhibit F
= Estimated Federal MLR Numerator	\$309.59	

Denominator:

Premiums	\$387.11	Exhibit A
- Federal and State Taxes	\$6.72	Exhibit G
- Premium Taxes	\$0.00	Exhibit G
- Reinsurance Contributions	\$5.25	Exhibit F
- <u>Licensing and Regulatory Fees</u>	<u>\$13.49</u>	Exhibit G
= Estimated Federal MLR Denominator	\$361.65	

Estimated Federal MLR **85.60%**

NOTES:

The above calculation is purely an estimate and not meant to be compared to the minimum MLR benchmark for federal/state MLR rebate purposes:

- 1) The above calculation represents only the products in this filing. Federal MLR will be calculated at the legal entity and market level.
- 2) Not all numerator/denominator components are captured above (for example, third party vendors excess reimbursement, fraud and prevention program costs, payroll taxes, assessments for state high risk pools etc.).
- 3) Other adjustments may also be applied within the federal MLR calculation such as 3-year averaging, new business, credibility, deductible and dual option. These are ignored in the above calculation.
- 4) Licensing and Regulatory Fees include ACA-related fees as allowed under the MLR Final Rule

Exhibit O - Projected Index Rate Development

Effective January 1, 2014

HMO Colorado, Inc.
Individual

1) Projected Paid Claim Cost	\$	357.77	Exhibit A, Line Item 8
2) <u>- Non-EHBs Embedded in Line Item 1) Above</u>		<u>\$0.00</u>	Exhibit E (see footnote in Exhibit E)
3) = Projected Paid Claims, Excluding ALL Non-EHBs	\$	357.77	
4) + Rx Rebates		(\$2.52)	Exhibit E
5) <u>+ Additional EHBs {1}</u>		<u>\$0.26</u>	Exhibit E
6) = Projected Paid Claims Reflecting <i>only</i> EHBs	\$	355.51	
7) <u>÷ Paid to Allowed Ratio</u>		<u>0.6728</u>	
8) = Projected Allowed Claims Reflecting <i>only</i> EHBs		\$528.38	= Index Rate

NOTES:

{1} Pediatric Dental and Pediatric Vision

Exhibit P - Development of Required Premium from Index Rate

Effective January 1, 2014

HMO Colorado, Inc. Individual

	<u>Weighted Average for Risk Pool</u>	
1) Index Rate	\$528.38	Exhibit O
2) <u>x Paid to Allowed Ratio</u>	<u>0.6728</u>	Exhibit O
3) = Projected Paid Claims Reflecting <i>only</i> EHBs	\$355.51	
<u>Allowable Index Rate Adjustments {1} {2}:</u>		
4) x Benefit Adjustments	1.0000	
5) + Non-EHBs	\$0.00	Exhibit E and Exhibit O
6) x Catastrophic Adjustment	1.0000	
7) x Network Adjustment	1.0000	
8) + Risk Mitigation - Contributions and Payments	(\$43.90)	Exhibit F
9) <u>+ Selling Expense, Administration and Other Retention Items</u>	<u>\$75.50</u>	Exhibit G (also see Exhibit A, Line item 12)
10) = Required Premium in Projection Period	\$387.11	Ties to Exhibit A, Line item 13

NOTES:

- {1} Allowable adjustments to the index rate as made above are in accordance with the Market Reform and Payment Parameters Regulations.
- {2} The above illustrates the allowable adjustments to the average single risk pool index rate as included in this rate filing. These adjustments may vary on a plan by plan basis and such variances are captured in the benefit plan factors as summarized in Exhibit I.
- {3} Plan-level rates are obtained by multiplying the base rate as shown in line item 15 of Exhibit A by the benefit plan factors illustrated in Exhibit I. Further allowable adjustments (age, tobacco and area) are applied to arrive at final premium rates.

Exhibit Q - Terminated Products

HMO Colorado, Inc.
Individual

Following are the products that will be terminated prior to the effective date:

This includes products that have experience included in the URRT during the experience period and any products that were not in effect during the experience period but were made available thereafter.

HIOS Product ID

HIOS Product Name

{1} Note: as each HIOS Product ID covers grandfathered along with non-grandfathered plans, product terminations are not applicable

Exhibit R - Membership Projections for Cost-Sharing Reductions

**HMO Colorado, Inc.
Individual**

Silver Plan		Projected Membership by Subsidy Level:			
<u>HIOS Standard Component Plan ID</u>	<u>100-150%</u>	<u>150%-200%</u>	<u>200%-250%</u>	<u>Standard</u>	
76680CO0220007	14	88	20		74
76680CO0220010	59	378	84		320
76680CO0220011	1,776	11,419	2,538		9,643

Exhibit W - HMO URRT Experience

HMO Colorado, Inc.
Individual

Data Collection Template

Company Legal Name: **HMO Colorado, Inc.** State: **CO**
 HIOS Issuer ID: **76680** Market: **Individual**
 Effective Date of Rate Change(s): **1/1/2014**

Market Level Calculations (Same for all Plans)

Section I: Experience period data

Experience Period: **1/1/2012** to **12/31/2012**

	Experience Period Aggregate Amount	PMPM	% of Prem
Premiums (net of MLR Rebate) in Experience Period:	\$433,557	\$1,197.67	100.00%
Incurred Claims in Experience Period	\$506,438	1,399.00	116.81%
Allowed Claims:	\$557,746	1,540.74	128.64%
Index Rate of Experience Period		\$1,540.74	
Experience Period Member Months	362		

Section II: Allowed Claims, PMPM basis

Experience Period

Projection Period: **1/1/2014** to **12/31/2014** Mid-point to Mid-point, Experience to Projection: **24** months

on Actual Experience Allowed

Adj't. from Experience to Projection Annualized Trend Factors ons, before credibility Adjustment Credibility Manual

Benefit Category	Utilization Description	Utilization per 1,000	Average Cost/Service	PMPM	Pop'l risk Morbidity	Other	Cost	Util	Utilization per 1,000	Average Cost/Service	PMPM	Utilization per 1,000	Average Cost/Service	PMPM
Inpatient Hospital	Days	141.25	\$33,866.01	\$398.63	0.000	0.000	0.000	0.000	0.00	\$0.00	\$0.00	247.62	\$6,305.17	\$130.11
Outpatient Hospital	Visits	803.42	7,440.12	498.13	0.000	0.000	0.000	0.000	0.00	0.00	0.00	1293.74	1,384.02	149.21
Professional	Visits	5,335.14	1,236.42	549.71	0.000	0.000	0.000	0.000	0.00	0.00	0.00	8978.09	230.37	172.36
Other Medical	Visits	320.52	1,888.86	50.45	0.000	0.000	0.000	0.000	0.00	0.00	0.00	536.94	347.00	15.53
Capitation	Benefit Period	12,000.00	2.22	2.22	0.000	0.000	0.000	0.000	0.00	0.00	0.00	12000.00	0.67	0.67
Prescription Drug	Prescriptions	5,550.79	89.92	41.60	0.000	0.000	0.000	0.000	0.00	0.00	0.00	10305.25	70.46	60.51
Total				\$1,540.74							\$0.00			\$528.38

Section III: Projected Experience:

Projected Allowed Experience Claims PMPM (w/applied credibility if applicable)	0.00%	100.00%	After Credibility	Projected Period Totals
Paid to Allowed Average Factor in Projection Period			\$528.38	\$797,464,912
Projected Incurred Claims, before ACA rein & Risk Adj't, PMPM			0.673	
Projected Risk Adjustments PMPM			\$355.51	\$536,558,445
Projected Incurred Claims, before reinsurance recoveries, net of rein prem, PMPM			0.00	0
Projected ACA reinsurance recoveries, net of rein prem, PMPM			\$355.51	\$536,558,445
Projected Incurred Claims			43.90	66,256,690
Administrative Expense Load			\$311.61	\$470,301,755
Profit & Risk Load		11.42%	44.20	66,708,660
Taxes & Fees		4.60%	17.81	26,875,229
Single Risk Pool Gross Premium Avg. Rate, PMPM		3.48%	13.49	20,358,460
Index Rate for Projection Period			\$387.11	\$584,244,104
% increase over Experience Period			\$528.38	
% Increase, annualized:			-67.68%	
Projected Member Months			-43.15%	1,509,264

Information Not Releasable to the Public Unless Authorized by Law: This information has not been publicly disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.

Exhibit W - HMO URRT Experience

HMO Colorado, Inc.
Individual

Product-Plan Data Collection

Company Legal Name:	HMO Colorado, Inc.
HIOS Issuer ID:	76680
Effective Date of Rate Change(s):	1/1/2014

State: CO
Market: Individual

Product/Plan Level Calculations

[illegible]

Section II: Components of Premium Increase (PMPM Dollar Amount above Current Average Rate PMPM)

or Standalone Component ID	Total	7/25/2011 (1)	7/26/2012 (2011)	7/26/2013 (2012)	7/26/2014 (2013)	7/26/2015 (2014)	7/26/2016 (2015)	7/26/2017 (2016)	7/26/2018 (2017)	7/26/2019 (2018)	7/26/2020 (2019)	7/26/2021 (2020)	7/26/2022 (2021)	7/26/2023 (2022)	7/26/2024 (2023)	7/26/2025 (2024)	7/26/2026 (2025)	7/26/2027 (2026)	7/26/2028 (2027)	7/26/2029 (2028)	7/26/2030 (2029)	7/26/2031 (2030)	7/26/2032 (2031)	7/26/2033 (2032)	7/26/2034 (2033)	7/26/2035 (2034)	7/26/2036 (2035)	7/26/2037 (2036)	7/26/2038 (2037)	7/26/2039 (2038)	7/26/2040 (2039)	7/26/2041 (2040)	7/26/2042 (2041)	7/26/2043 (2042)	7/26/2044 (2043)	7/26/2045 (2044)	7/26/2046 (2045)	7/26/2047 (2046)	7/26/2048 (2047)	7/26/2049 (2048)	7/26/2050 (2049)	7/26/2051 (2050)	7/26/2052 (2051)	7/26/2053 (2052)	7/26/2054 (2053)	7/26/2055 (2054)	7/26/2056 (2055)	7/26/2057 (2056)	7/26/2058 (2057)	7/26/2059 (2058)	7/26/2060 (2059)	7/26/2061 (2060)	7/26/2062 (2061)	7/26/2063 (2062)	7/26/2064 (2063)	7/26/2065 (2064)	7/26/2066 (2065)	7/26/2067 (2066)	7/26/2068 (2067)	7/26/2069 (2068)	7/26/2070 (2069)	7/26/2071 (2070)	7/26/2072 (2071)	7/26/2073 (2072)	7/26/2074 (2073)	7/26/2075 (2074)	7/26/2076 (2075)	7/26/2077 (2076)	7/26/2078 (2077)	7/26/2079 (2078)	7/26/2080 (2079)	7/26/2081 (2080)	7/26/2082 (2081)	7/26/2083 (2082)	7/26/2084 (2083)	7/26/2085 (2084)	7/26/2086 (2085)	7/26/2087 (2086)	7/26/2088 (2087)	7/26/2089 (2088)	7/26/2090 (2089)	7/26/2091 (2090)	7/26/2092 (2091)	7/26/2093 (2092)	7/26/2094 (2093)	7/26/2095 (2094)	7/26/2096 (2095)	7/26/2097 (2096)	7/26/2098 (2097)	7/26/2099 (2098)	7/26/2100 (2099)	7/26/2101 (2100)	7/26/2102 (2101)	7/26/2103 (2102)	7/26/2104 (2103)	7/26/2105 (2104)	7/26/2106 (2105)	7/26/2107 (2106)	7/26/2108 (2107)	7/26/2109 (2108)	7/26/2110 (2109)	7/26/2111 (2110)	7/26/2112 (2111)	7/26/2113 (2112)	7/26/2114 (2113)	7/26/2115 (2114)	7/26/2116 (2115)	7/26/2117 (2116)	7/26/2118 (2117)	7/26/2119 (2118)	7/26/2120 (2119)	7/26/2121 (2120)	7/26/2122 (2121)	7/26/2123 (2122)	7/26/2124 (2123)	7/26/2125 (2124)	7/26/2126 (2125)	7/26/2127 (2126)	7/26/2128 (2127)	7/26/2129 (2128)	7/26/2130 (2129)	7/26/2131 (2130)	7/26/2132 (2131)	7/26/2133 (2132)	7/26/2134 (2133)	7/26/2135 (2134)	7/26/2136 (2135)	7/26/2137 (2136)	7/26/2138 (2137)	7/26/2139 (2138)	7/26/2140 (2139)	7/26/2141 (2140)	7/26/2142 (2141)	7/26/2143 (2142)	7/26/2144 (2143)	7/26/2145 (2144)	7/26/2146 (2145)	7/26/2147 (2146)	7/26/2148 (2147)	7/26/2149 (2148)	7/26/2150 (2149)	7/26/2151 (2150)	7/26/2152 (2151)	7/26/2153 (2152)	7/26/2154 (2153)	7/26/2155 (2154)	7/26/2156 (2155)	7/26/2157 (2156)	7/26/2158 (2157)	7/26/2159 (2158)	7/26/2160 (2159)	7/26/2161 (2160)	7/26/2162 (2161)	7/26/2163 (2162)	7/26/2164 (2163)	7/26/2165 (2164)	7/26/2166 (2165)	7/26/2167 (2166)	7/26/2168 (2167)	7/26/2169 (2168)	7/26/2170 (2169)	7/26/2171 (2170)	7/26/2172 (2171)	7/26/2173 (2172)	7/26/2174 (2173)	7/26/2175 (2174)	7/26/2176 (2175)	7/26/2177 (2176)	7/26/2178 (2177)	7/26/2179 (2178)	7/26/2180 (2179)	7/26/2181 (2180)	7/26/2182 (2181)	7/26/2183 (2182)	7/26/2184 (2183)	7/26/2185 (2184)	7/26/2186 (2185)	7/26/2187 (2186)	7/26/2188 (2187)	7/26/2189 (2188)	7/26/2190 (2189)	7/26/2191 (2190)	7/26/2192 (2191)	7/26/2193 (2192)	7/26/2194 (2193)	7/26/2195 (2194)	7/26/2196 (2195)	7/26/2197 (2196)	7/26/2198 (2197)	7/26/2199 (2198)	7/26/2200 (2199)	7/26/2201 (2200)	7/26/2202 (2201)	7/26/2203 (2202)	7/26/2204 (2203)	7/26/2205 (2204)	7/26/2206 (2205)	7/26/2207 (2206)	7/26/2208 (2207)	7/26/2209 (2208)	7/26/2210 (2209)	7/26/2211 (2210)	7/26/2212 (2211)	7/26/2213 (2212)	7/26/2214 (2213)	7/26/2215 (2214)	7/26/2216 (2215)	7/26/2217 (2216)	7/26/2218 (2217)	7/26/2219 (2218)	7/26/2220 (2219)	7/26/2221 (2220)	7/26/2222 (2221)	7/26/2223 (2222)	7/26/2224 (2223)	7/26
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Section III: Experience Period Information

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10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	5																																																																																																																																																																																																																																																																																																																																																																																																																												

Section IV: Projected (12 months following effective date)

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